



Daily Report—

East Asia

**FBIS-EAS-95-207
Thursday
26 October 1995**

This report may contain copyrighted material. Copying and dissemination
is prohibited without permission of the copyright owners.

Daily Report

East Asia

FBIS-EAS-95-207

CONTENTS

26 October 1995

NOTICE: An * indicates material not disseminated in electronic form.

INTER-ASIAN AFFAIRS

Mekong River Basin Meeting Under Way [<i>Hanoi International</i>]	1
Focuses on Developing Region [<i>Hanoi Radio</i>]	1
Meeting Concludes [<i>Hanoi International</i>]	1
Mekong Nations Promote Transport Network Projects [<i>XING XIAN RIBAO</i> 24 Oct]	1
China Undecided on Full Mekong Commission Role [<i>THE NATION</i> 24 Oct]	1
Foreign Investors Consider Mekong, Salween Dams [<i>THE NATION</i> 25 Oct]	2

NORTHEAST ASIA

Japan

Ministry To Withhold United's 'Beyond' Routes [<i>KYODO</i>]	4
Eto To Propose New Base Reduction to Perry [<i>KYODO</i>]	4
Nosaka: Eto-Perry Meeting 'Starting Point' [<i>KYODO</i>]	5
Accord on Changes in Implementing SOFA Viewed [<i>KYODO</i>]	5
Article Views Difficulty in Revising SOFA [<i>SANKEI SHIMBUN</i> 19 Oct]	6
Tokyo Establishes Diplomatic Ties With Andorra [<i>KYODO</i>]	8
Ex-Im Bank Offers Loans to Developing Nations	8
Indonesia: \$195 Million [<i>KYODO</i>]	8
Mongolia: 4.49 Billion Yen [<i>KYODO</i>]	8
Pakistan: 6.99 Billion Yen [<i>KYODO</i>]	8
Beijing To Seek MFN Status at APEC Summit [<i>NIHON KEIZAI SHIMBUN</i> 22 Oct]	9
Singapore Pushing APEC Toward Free Trade [<i>KYODO</i>]	9
MOFA 'Perplexed' Over Worsening ROK Ties [<i>NIHON KEIZAI SHIMBUN</i> 21 Oct]	10
BOJ's Matsushita Briefs Keidanren on Economy [<i>KYODO</i>]	11
EPA Reports Growing Business Confidence [<i>KYODO</i>]	11
EPA Says Deflationary Fears Increasing [<i>KYODO</i>]	12
Tax Cuts To Continue if Economic Doldrums Stay [<i>KYODO</i>]	13
Corporate Tax Change 'Unlikely' in FY96 Reform [<i>KYODO</i>]	13
Takemura Eyes Tax Reform for Religious Groups [<i>KYODO</i>]	13
NTT Head Wants Telecom Business Deregulated [<i>KYODO</i>]	13
Firms Ordered To Pay Over Bid Rigging [<i>KYODO</i>]	14
Experts Meet on Accident Response Network [<i>KYODO</i>]	14
Aomori Prefecture Willing To Host ITER [<i>KYODO</i>]	14
'Sources' Reveal DA Proposal for SDF Cuts [<i>KYODO</i>]	15
Table of Parliamentary Strength Reported [<i>KYODO</i>]	15
Ministries' Reactions to New LDP Head Viewed [<i>SHUKAN DAIYAMONDO</i> 7 Oct]	15
Nation's Conservatism Analyzed [<i>SEIRON</i> Oct]	17
Beginning of Environmental Inspection Age Viewed [<i>SHUKAN TOYO KEIZAI</i> 2 Sep]	25
Danger of Secret Aum 'UP Team' Pointed Out [<i>BUNGEI SHUNJU</i> Nov]	28
Ministry Approves Guideline for Biotech Crops [<i>KYODO</i>]	33

North Korea

U.S. 'Policy of Strength' Denounced [<i>Pyongyang Radio</i>]	34
--	----

Talk Denounces U.S., ROK Military Exercises [<i>Pyongyang Radio</i>]	35
Kim Yong-sam Meeting With Britain's Major Noted [KCNA]	36
No Tae-u's 'Fund' Scandal in ROK Discussed [KCNA]	36
ROK Denounced for 'Suppressing' Forces [KCNA]	37
Paper Criticizes Kim Yong-sam Address [KCNA]	37
Movement for Supporting Korea Reunification Meets [KCNA]	38
Japanese Doctrine Called Pretext for Aggression [KCNA]	38
Anniversary of CPV Entry Into War Observed [<i>Pyongyang Radio</i>]	39
Wreaths Laid at Friendship Tower [KCNA]	40
Government Holds Banquet [KCNA]	41
PRC Artistes at Reception Hosted by Chang Chol [KCNA]	41
Give Premiere in Pyongyang [KCNA]	42
Pak Song-chol Heads NAM Conference Delegation [<i>Pyongyang Radio</i>]	42
Poem Collection 'Paean of Kim Chong-il' Viewed [KCNA]	42
Russian Paper on 'Leader of World Socialism' [KCNA]	43
Russian Paper Lauds WPK as 'Guiding Force' [KCNA]	43
Yugoslav, Belarus Parties Mark WPK Anniversary [KCNA]	44
Kim Chong-il Receives Worldwide Greetings [KCNA]	44
Receives More Greetings [KCNA]	45
South Pyongan Accelerates Coal Production [<i>NODONG SINMUN</i> 16 Sep]	45
Daily Urges Expedited Rice Harvesting [<i>MINJU CHOSON</i> 20 Sep]	46
Radio, Television Report on Status of Harvest [<i>Pyongyang Radio, etc.</i>]	48
Daily Urges People To Implement Party Slogans [<i>MINJU CHOSON</i> 24 Aug]	49
Paper Publishes Article on Chuche Philosophy [KCNA]	51

South Korea

Former U.S. Official on Commitment to ROK [YONHAP]	52
Current Status of Relations With U.S. Reviewed [<i>CHOSON ILBO</i> 26 Oct]	52
North Military Object to U.S. Liaison Office [<i>CHOSON ILBO</i> 24 Oct]	53
North Experts Plan U.S. Nuclear Facilities Tour [YONHAP]	54
U.S. Brigadier General Said Visiting DPRK [Seoul Radio]	54
U.S. Plans More DPRK Aid via UNICEF [YONHAP]	54
EU To Provide Emergency Assistance to DPRK [YONHAP]	54
Police Find Equipment Hidden by Infiltrator [Seoul TV]	55
Paper: Relative of North's O Chin-u Defects [<i>CHOSON ILBO</i> 26 Oct]	55
Industry's Dependence on Japanese Materials Noted [<i>CHUGAN MAEGYONG</i> 9 Aug]	55
Impact of WTO Rules on Setting Price of Rice [<i>THE KOREA TIMES</i> 26 Oct]	59
More Discretion Urged in Investments Abroad [<i>THE KOREA HERALD</i> 26 Oct]	60
Civic Groups Urge Investigation in Funds Case [<i>THE KOREA TIMES</i> 25 Oct]	61
Yi Won-cho's Alleged Scandal Role Reported [<i>THE KOREA TIMES</i> 25 Oct]	61
Kim Yong-sam Cited on No's 'Secret Fund,' UN [<i>HANGUK ILBO</i> 26 Oct]	62
Reaction of Firms to Slush Fund Revelation Noted [<i>THE KOREA TIMES</i> 25 Oct]	63
DLP Urges No To Disclose 'Secret Fund' [YONHAP]	63
Repercussions of 'Secret Fund' Scandal Viewed [YONHAP]	64
DLP's New Secretary-General Discusses Role [<i>SISA JOURNAL</i> 7 Sep]	65

SOUTHEAST ASIA

Burma

SRV Interior Minister, Delegation Arrive [<i>Rangoon Radio</i>]	68
---	----

Central Bank Governor Discusses IMF Aid [<i>NIHON KEIZAI SHIMBUN</i> 21 Oct]	68
Brunei, Malaysia & Singapore	
Malaysia	
Mahathir Proposes UN Peace Enforcement Force [<i>Kuala Lumpur International</i>]	68
Parties Oppose France's Pacific Nuclear Tests [<i>Kuala Lumpur International</i>]	69
Editorial Says UN No Longer Credible Body [<i>BERITA HARIAN</i> 25 Oct]	69
Cambodia	
FUNCINPEC, CPP Agree To Share Power [<i>PHNOM PENH POST</i> 2 Nov]	70
Party Leaders View Reconciliation With Faction [<i>PHNOM PENH POST</i> 2 Nov]	70
Khieu Samphan Discusses PGNUNS Efforts [<i>Radio PGNUNS</i>]	71
Indonesia	
Suharto Stresses South-South Cooperation [<i>ANTARA</i>]	73
Alatas on Role of NAM Caucus, Group of 16 [<i>ANTARA</i>]	73
Rights Commission Reacts to Statement on E.Timor [<i>REPUBLIKA</i> 26 Oct]	74
Dailies View UN Problems, Need for Reform [<i>Jakarta Radio</i>]	75
Philippines	
Ramos Chides Officials for Anti-U.S. Statements [<i>Quezon City Radio</i>]	75
Manila Opposes Rice Inclusion in APEC Plan [<i>PHILIPPINE DAILY INQUIRER</i> 21 Oct]	75
Cebu Listed as Major Drug Transshipment Point [<i>PHILIPPINE DAILY INQUIRER</i> 24 Oct] ..	76
Military, MILF Forge Pact in Maguindanao [<i>MANILA BULLETIN</i> 22 Oct]	77
Thailand	
Prime Minister Comments on U.S. Narcotic Charges [<i>Bangkok Radio</i>]	78
U.S. Should Stem 'Domestic Demand' for Drugs [<i>BANGKOK POST</i> 26 Oct]	78
Ministry Spokesman Addresses Drug List Issue [<i>THE NATION</i> 26 Oct]	78
Minister Informed by Embassy on Drug Scandal [<i>Bangkok Radio</i>]	80
U.S. 'Threat' May Hasten Laundering Bill [<i>BANGKOK POST</i> 26 Oct]	80
Background of Reported Money Laundering List [<i>BANGKOK POST</i> 26 Oct]	81
Official Says APEC 'Could Collapse' [<i>BANGKOK POST</i> 26 Oct]	81
ADB: No More Financing Power Projects [<i>THE NATION</i> 26 Oct]	82
Kareni Soldiers Arrested With Weapons [<i>BANGKOK POST</i> 26 Oct]	82
Watthana Says Kasemsamoson 'Should Be Sacked' [<i>BANGKOK POST</i> 26 Oct]	83
Chawalit Plans To Control All Armed Forces [<i>LAK THAI</i> 24 Oct]	83
Daily Sounds Urgent Note on Inflation, Deficit [<i>THAN SETTHAKIT</i> 24 Oct]	84
Vietnam	
Trade Minister Views Economic Ties With U.S. [<i>SAIGON GIAI PHONG</i> 11 Oct]	85
President Donates Rice to Cambodian King [<i>Hanoi Radio</i>]	86
Army General Reaffirms Solidarity With Cuba [<i>Havana Radio</i>]	86
Road-Building Cooperation Agreement With Cuba [<i>Hanoi International</i>]	86
Finance Minister on 1995 Budget Balance [<i>THOI BAO TAI CHINH</i> 12 Oct]	87
National Assembly Issues Communiqué No.19 [<i>Hanoi Radio</i>]	88
National Assembly 25 Oct Proceedings Reported [<i>Hanoi Radio</i>]	89
Army Party Organizations Prepare Congresses [<i>NHAN DHAN</i> 9 Oct]	89
AUSTRALASIA	
Australia	
Evans Reacts Cautiously to Timor Deaths Claim [<i>Melbourne International</i>]	91

Governor General Cites 'Defects' in Republic Plan [<i>Melbourne International</i>]	91
Papua New Guinea	
Helicopter Problem Stops UN Team Meeting Rebels [<i>Melbourne International</i>]	91

Mekong River Basin Meeting Under Way

*BK2510122895 Hanoi Voice of Vietnam in English
1000 GMT 24 Oct 95*

[FBIS Transcribed Text] Officials of six countries of the Mekong Basin including Vietnam, Laos, Cambodia, Thailand, Myanmar [Burma], and Yunnan province of China on Monday began a two-day meeting aimed at unifying the development of infrastructure and introducing an opportunity to investors in the development of the Mekong region.

The participants promised to further cooperate in the sub-region, but they also complained about the lack of funding for important projects. On Tuesday, highlights in the discussion were procedures for project approval, project assistance, the environment, priorities, as well as avoidance of double taxation.

Focuses on Developing Region

*BK2510142095 Hanoi Voice of Vietnam Network
in Vietnamese 1100 GMT 25 Oct 95*

[FBIS Translated Text] The Summit Conference for Further Development of the Mekong Basin Sub-Region was recently held in Bangkok, Thailand, from 22-24 October.

Representatives from Thailand, Vietnam, Laos, Cambodia, Myanmar [Burma], and the Chinese province of Yunnan, and from a number of conglomerates and big corporations attended the conference.

Under the theme "The Mekong Basin — From Confrontation to Cooperation," the conference aimed at creating opportunities for businessmen and investors to participate in rebuilding and developing this region.

One of the main purposes of the conference was to encourage multinational or inter-state corporations in Asia to join with various governments concerned in holding discussions on the need to further develop the Mekong Basin Sub-Region for mutual benefit.

Meeting Concludes

*BK2510125895 Hanoi Voice of Vietnam in English
1000 GMT 25 Oct 95*

[FBIS Transcribed Text] A conference on economic development of six countries along the Mekong River finished in Bangkok on Tuesday. The conference ratified 77 priority development projects.

Mekong Nations Promote Transport Network Projects

*BK2510095995 Bangkok XING XIAN RIBAO
in Chinese 24 Oct 95 p 9*

[FBIS Translated Text] Six Mekong River countries will ask the Asian Development Bank [ADB] to support the Mekong subregional economic development plan, especially the 22 transport network development projects, which is expected to attract 100 billion baht foreign investment.

Officials of the six Mekong River countries are holding a meeting with businessmen from Asia, Europe, the United States, and Australia in Bangkok between 22 to 24 October. The meeting is aimed at promoting the 22 transport network development projects of the Mekong subregion with those countries. They include eight road construction projects, three railway improvement projects, seven port construction and improvement projects, and four airport construction and improvement projects. Moreover, there is also a natural gas transportation project and six electricity projects.

The 22 transport network development projects will need at least U.S. \$5,636 million, or about 140.9 billion baht — which do not include the cost for the construction of bridges.

Besides asking assistance from the ADB, the six Mekong River countries will also have to ask support from financial institutions and private sectors of other countries since the projects need huge investment.

The governments of the six Mekong River countries have held meetings with the ADB and the United Nation Development Program over the past year. They sent information to the financial institutions, businessmen, and embassies of developed countries to introduce this meeting in Bangkok and promote these huge investment projects.

China Undecided on Full Mekong Commission Role

*BK2510061495 Bangkok THE NATION in English
24 Oct 95 p A2*

[Report by Mali Traisawatdichai]

[FBIS Transcribed Text] Beijing was considering the level of its participation in the upcoming Mekong River Commission [MRC] meeting in Ho Chi Minh City, but stressed its presence should not be taken as a commitment to becoming a member.

China's plan for the construction of dams on the upper reach of the Mekong mainstream in its southern Yunnan province posed no harm towards the downstream Vietnamese delta, said Prof Zhang Taimin, subcommittee

member for the Development of Regional Cooperation of the Mekong River in Yunnan.

Zhang, who headed the Yunnan delegation for the Greater Mekong Sub-Regional Growth Summit, organized by the Manager Group, said a recent visit by officials from Hanoi to one of the dam sites in Yunnan had cleared up the "misunderstandings" about environmental impacts on the Mekong downstream.

"After the Vietnamese representatives visited the dam site, their suspicions were abated about the project," Zhang said.

He said there was no conflict between China and Vietnam over the use of the river. If there was any conflict, he said, it was between Thailand and Vietnam.

"The projects in Yunnan are all for the generation of electricity. We will not use much water. When the electricity is produced, the water will still remain in the river," Zhang said.

"But the Thai projects are for irrigation, which needs a large consumption of water," he said.

The Mekong passes through Yunnan, and the province contributes about 30 per cent of the overall water discharged into the river.

China plans to construct nine dams on the Mekong mainstream and implement six projects on its tributaries.

It has completed construction of the Manwan Dam, the first dam on the mainstream. It was currently undergoing preparatory construction for the Dachaoshan Dam, as well as compiling a feasibility study for the 3,000-megawatt Xiaowan Dam, which would become the largest dam on the Mekong mainstream.

Zhang said the central government in Beijing was determining the official rank of personnel to represent China in the "exploratory meeting" with the MRC.

Speaking personally, Zhang said China would expect its relationship with the grouping to be a forum for technical and economic cooperation. He said to accept a set of principles of water usage under the MRC was still beyond Beijing's expectation.

Foreign Investors Consider Mekong, Salween Dams

*BK2510050295 Bangkok THE NATION in English
25 Oct 95 p A3*

[Report by Kunlachada Chaiphiphat]

[FBIS Transcribed Text] The Japanese government may become the first foreign investor to help finance the construction of a dam on the mainstream of the Mekong River, it was revealed at an investment forum held yesterday.

Japan is interested in financing the construction of the Xiaowan hydropower dam in China's Yunnan province, according to the chief Chinese delegate to the Greater Mekong Sub-region Growth Summit.

The Burmese delegation also introduced plans for a series of dams along the Salween River and called on the private sector to help finance feasibility studies.

Technical experts from the Japan International Cooperation Agency (JICA) will soon visit the dam site in China to explore the possibility of financing the project, said Prof Min Zhang, deputy director of the sub-committee for the Development of Regional Cooperation of the Mekong River in Yunnan.

The cost of the project has yet to be fixed. However following preliminary discussions held last year, Japan's Official Economic Cooperation Fund (OECF) is expected to extend soft loans worth about US\$800 million to the Chinese government, Zhang said. The Guangdong provincial government will also share the cost of construction, he said.

If the project goes ahead, it would be the first hydropower dam on the Lancang river — as the Mekong is known in China — to be financed by a foreign investor.

The Xiaowan, which would have an installed capacity of 4,000 megawatts (MW), is one of seven hydropower projects planned on the mainstream of the Lancang River. The largest dam planned is the 5,000-MW Luozhatu, with an installed capacity of 5,000 MW.

According to Chen Yuqi, division chief of Yunnan Provincial Electric Power Bureau, the Japanese government needs to update the project's feasibility study before making a decision.

"I am confident they will finance it," said Chen. He said it would take 12 years to complete the construction of the dam, located 280 kms from Kunming. Chen said that by 2000, China will have two dams constructed on the Lancang River to help meet the growing demand for electricity in Yunnan. The 1,350-MW Manwan Dam was completed last year and the 1,500-MW Dachaoshan is under construction.

The dam projects in Yunnan have raised concern over their environmental impact on downstream countries. China has yet to join the Mekong River Commission (MRC) which so far includes Thailand, Laos, Cambodia and Vietnam.

The director of the Asian Development Bank's [ADB] Programme Department (West), Noritada Morita, said the ADB welcomed foreign investment in hydropower

projects in Yunnan but would not finance them itself due to environmental concerns and the massive amount of capital needed.

The delegation from Burma also presented a list of 10 possible dam projects along the Salween River, which they said has a total hydropower potential of 27,670 MW.

According to Morita, Burma must come up with details and well-integrated plans in order to motivate the private sector. But the ADB at this stage is not keen to finance the projects.

"Those projects are very costly and high-risk. The ADB will only consider projects that can be implemented environmentally and economically," he said.

He admitted there were a number of risk factors in the Salween projects, including technical, social, political and environmental risks.

The Salween project was incorporated into the ADB-sponsored Greater Mekong Sub-region energy master plan last year at the request of Thailand which is keen to divert water from the river to supply Bangkok and the central plains.

Japan

Ministry To Withhold United's 'Beyond' Routes
OW2610122095 Tokyo KYODO in English
1146 GMT 26 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 26 KYODO — The Transport Ministry has withheld approval of two "beyond" routes requested by United Airlines of the United States due to fears that the number of passengers on the routes might violate the aviation treaty between Japan and the U.S., ministry officials said Thursday [26 October].

United Airlines had asked the ministry to approve four flights a week on a route from Los Angeles to Seoul, via Kansai International Aiport in western Japan, and one weekly flight from Honolulu to Seoul via the Kansai Airport.

The ministry decided to defer approval, however, on the grounds that the ratio of the number of passengers on the routes from Kansai International Airport to Seoul to the number of passengers flying the whole route could go against the 1952 bilateral aviation treaty.

On the current United Airlines flights to Seoul from Los Angeles and Honolulu via Narita Airport, the ratio of passengers on the "beyond" route from Narita to Seoul has been at around 90 percent since fiscal 1994.

The ministry is concerned that the routes from Los Angeles and Honolulu to Seoul could also see such large numbers of passengers on the "beyond" route.

In the ministry's view, the 90 percent ratio on the current United Airlines flights is a transgression because the bilateral aviation treaty calls for the number of passengers on the route from Japan to a third country to be subordinate to the number on the flight to Japan.

The same day, however, the ministry approved United Airlines' requests for increased flights from Los Angeles to Seoul via Narita Airport on condition that the ratio be brought down to 50 percent or below.

To solve the matter and other issues, the ministry has asked for discussions with U.S. authorities.

Experts say the decision could indirectly affect the aviation talks on cargo flights slated between the two countries for as early as next month.

Eto To Propose New Base Reduction to Perry
OW2610042695 Tokyo KYODO in English
0415 GMT 26 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 26 KYODO — The cabinet and prime minister agreed Thursday [26 October] to await the outcome of an LDP [Liberal

Democratic Party] meeting before deciding whether to send a top defense official to Okinawa to discuss U.S. military bases there, government officials said Thursday.

The visit to Okinawa by Defense Agency Director General Seishiro Eto would be a fact-finding mission to prepare for the scheduled Nov. 4 meeting between Prime Minister Tomiichi Murayama and Okinawa Gov. Masahide Ota.

The previous plan to send Eto to Okinawa was delayed after Noboru Hoshuyama, head of the Defense Facilities Administration Agency, resigned last week after he drew fire over his criticism of Murayama's handling of the base issue.

The Thursday decision was reached at a meeting of cabinet ministers with Prime Minister Murayama and followed a request Wednesday by Okinawa Vice Gov. Masanori Yoshimoto for Eto to visit Okinawa, the officials said.

But the cabinet ministers opted to postpone the decision until after a meeting of Liberal Democratic Party (LDP) lawmakers. They did so at the request of International Trade and Industry Minister Ryutaro Hashimoto, who heads the LDP, who said he wanted to hear the LDP lawmakers' views before deciding on Eto's mission.

Chief Cabinet Secretary Koken Nosaka said earlier that it is necessary to get a complete picture of the U.S. bases in Okinawa before U.S. Secretary of Defense William Perry arrives in Japan late this month.

On Thursday, Nosaka told the press, "it will be useful for the Defense Agency chief to inspect U.S. military facilities thoroughly before meeting Perry."

During his meeting with Ota, Murayama is expected to try to resolve an impasse over Ota's refusal to sign documents needed to force unwilling local landowners to rent their land to the U.S. military, according to the officials.

In his meeting with Perry in Tokyo next Wednesday, Eto is expected to advance new proposals for reducing the U.S. military presence in Okinawa.

The national and Okinawa prefectural governments have been at loggerheads over the continued forced rental of private land to U.S. armed forces in Okinawa. Island residents have stepped up their demands for a reduction of the U.S. military presence there since the rape of a 12-year-old schoolgirl in early January, for which three U.S. servicemen have been indicted.

Nosaka: Eto-Perry Meeting 'Starting Point'

OW2610123795 Tokyo KYODO in English
1205 GMT 26 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 26 KYODO — Defense Agency Chief Seishiro Eto's meeting with U.S. Defense Secretary William Perry next week will mark a "starting point" for bilateral talks over a possible cut in the U.S. military presence in Okinawa, a government spokesman said Thursday [26 October].

Chief Cabinet Secretary Koken Nosaka told a news conference Eto will advance some new proposals for scaling down U.S. bases in the southwestern island prefecture when he confers with Perry next Wednesday.

"But the occasion will be a starting point," Nosaka said, noting the next crucial occasion will be a planned powwow between Prime Minister Tomiichi Murayama and Okinawa Gov. Masahide Ota in Tokyo on Nov. 4.

"As far as this Okinawa issue is concerned, the conclusion should be drawn through in-depth discussions between Gov. Ota, who is head of the prefecture, and the premier, who is head of the state," he said.

There have been strident demands from Okinawa residents for scaling down the U.S. military presence in the prefecture since the rape of a schoolgirl in Okinawa in early September, for which three U.S. servicemen have been indicted.

Ota has staunchly refused to cooperate with the national government over the renewal of contracts on leasing land to U.S. armed forces stationed in Okinawa.

Some 75 percent of all U.S. military facilities in Japan are located in the prefecture, which makes up a meager 0.6 percent of the nation's land area.

Okinawa Vice Gov. Masanori Yoshimoto said in Tokyo on Wednesday Ota will not retract his refusal of the state government's request to cooperate over the land issue even after his consultation with the premier.

Nosaka said the government and the ruling coalition parties are still trying to decide whether to send the Defense Agency chief to Okinawa prior to Perry's arrival in Japan next Tuesday.

Nosaka said earlier Thursday, "it will be useful for the Defense Agency chief to inspect U.S. military facilities thoroughly before meeting Perry."

The U.S. defense secretary said Sunday that Washington will "consider any proposals that the Japanese government makes in terms of adjusting the forces there. They have not made such a proposal to us at this point."

The chief cabinet secretary also said Tokyo will strive to resolve the issue of a possible cut in the U.S. military presence in Okinawa at a summit between Murayama and U.S. President Bill Clinton in Tokyo on Nov. 20.

"I believe the climax will come at the Japan-U.S. Summit," Nosaka said, without charting the course for the final solution of the issue.

On the stalemate over the compulsory leasing of Okinawa land to U.S. forces, he merely repeated the central government's policy of trying to break the impasse through dialogue.

"We are currently trying to resolve the issue through dialogue. I cannot say we will eventually have to follow legal procedures," he said.

Murayama told the Budget Committee of the House of Representatives Thursday that he will seek Ota's understanding on the Japan-U.S. Security Treaty when he meets him.

"I would like to have talks so that the expectations of the Okinawan people can be met and mutual understanding on security in the whole of Japan be obtained," Murayama said.

Accord on Changes in Implementing SOFA Viewed

OW2510143795 Tokyo KYODO in English
1330 GMT 25 Oct 95

["News Focus" by Miu Oikawa Dieter: "Accord on Changes in Implementing SOFA Only One Step"]

[FBIS Transcribed Text] TOKYO, Oct. 25 Kyodo — After weeks of deliberations triggered by the rape of an elementary schoolgirl allegedly by U.S. military personnel in Okinawa Prefecture, the United States agreed Wednesday [25 October] to accommodate Japan with changes to the criminal procedures under an accord on the status of U.S. military servicemen stationed in Japan.

The accord would enable U.S. military personnel suspected of committing "heinous crimes of murder or rape" in Japan to be turned over to the Japanese side before Japanese prosecutors make a formal indictment.

"The United States will give sympathetic consideration to any requests for the transfer of custody prior to indictment of the accused which may be made by Japan in specific cases of heinous crimes of murder or rape," according to the document.

The U.S. will also take "full account of" any special views Japan may put forward as to other cases it believes should be considered, the document said.

However, it is doubtful whether the accord will successfully quell the strong public outcry in Okinawa.

Japan has been demanding that it be made possible to turn suspects over early since the rape allegedly committed by three U.S. military personnel Sept. 4 set off widespread public anger at the Status of Forces Agreement (SOFA).

A clause in the SOFA allowed U.S. authorities to hold the suspects until Japan formally makes an indictment.

In an expert-level study group set up under the Joint Committee, which regularly discusses the implementation of the SOFA, Japan also sought to enhance U.S. cooperation in Japanese investigations and to improve U.S. handling of suspects detained by the U.S. military authorities.

On Wednesday, Japan and the U.S. agreed on the stickiest point of the three Japanese requests made at the study group — the early transfer of custody. The other two points will be discussed further by the group.

"We were able to reach an accord much earlier than we originally predicted," said a Foreign Ministry official. "We will continue to discuss the other two, but we already have U.S. cooperation to a certain degree on those areas."

The relatively early agreement on the point Japanese officials had been describing as the most difficult is apparently due to the eagerness by both Tokyo and Washington to diffuse any tensions before U.S. President Bill Clinton's visit to Japan next month.

The two countries were hoping to reaffirm, on the 50th anniversary of the end of World War II, the importance of the bilateral security alliance when Clinton and Prime Minister Tomiichi Murayama hold talks in mid-November.

With bilateral trade friction settled for the time being, the summit talks between Clinton and Murayama were supposed to be held on a positive note.

But that scenario collapsed after the rape case provoked a storm of protest in Okinawa.

Foreign Minister Yohei Kono, in announcing the agreement, said Wednesday evening that the latest accord on the criminal jurisdiction procedures will "further enhance Japan's handling of crimes."

"I am fully aware of the feelings of the Okinawans and the Japanese public on this unfortunate incident," Kono said.

"The Japanese Government will continue to sincerely tackle various problems concerning the U.S. troops stationed in Japan, including the consolidation and

realignment of facilities, while seeking to harmonize the requests of the residents with achieving the goals of the Japan-U.S. security ties," he said.

As was seen in the Oct. 21 rally in Okinawa, which drew 85,000 participants, voices in Okinawa are now turning to calls for the revision of the SOFA itself and for the scaling down of the U.S. military presence in Okinawa.

About 75 percent of all U.S. military facilities in Japan are located in Okinawa.

On Tuesday, representatives of the massive rally in Okinawa urged the government to revise the SOFA and to press the U.S. to reduce its troops in the prefecture.

Okinawa Gov. Masahide Ota also refuses to sign documents necessary for the continued use of land by the U.S. forces because of unwilling landowners.

The latest agreement also leaves room for debate in the future.

Since the accord is "not an international agreement," the U.S. conceivably could refuse Japanese requests for early transfer of custody, a Foreign Ministry official said.

Japan will make such a request in murder or rape cases "when there is strong interest," but there are no specific guidelines for the requests.

The official said Japan will take into account the heinousness of the crime, its social impact and the feelings of the public when deciding whether to make such requests.

Japanese police, prosecutors, the Foreign Ministry and possibly cabinet ministers will make the decision, the official said.

Article Views Difficulty in Revising SOFA

*OW2610093695 Tokyo SANKEI SHIMBUN
in Japanese 19 Oct 95 Morning Edition p 3*

[*"Suihei Suichoku, Horizontality and Verticality"* Column: Ripples caused by the prime minister's remarks; Stipulation of operational improvement through revision of the Status of Forces Agreement, and new alignment and consolidation of military bases; In view of the Foreign Ministry and the Defense Agency, "Realization is impossible"]

[FBIS Translated Text] Prime Minister Tomiichi Murayama has set forth new ideas for "reducing U.S. military bases on Okinawa," and "stipulating operational improvements via a revision of the Status of Forces Agreement [SOFA]" in an effort to break the deadlock over

the question of U.S. military bases on the island. However, the agencies in charge of this issue—the Ministry of Foreign Affairs [MOFA] and the Defense Agency [DA]—are strongly opposed to these ideas, noting that "it will be difficult to translate them into reality."

The Prime Minister's Official Residence Taking Independent Way

Touching on the issue on improving the SOFA operation at the House of Councillors' Budget Committee session held on 18 October, Prime Minister Tomiichi Murayama stated: "If the SOFA has any room for revision, it should naturally be taken into consideration." In this way, he indicated a positive approach toward the revision of the agreement. Moreover, at the news conference held on the same day, Chief Cabinet Secretary Koken Nosaka indicated that efforts would be made to seek a new alignment and consolidation of U.S. military bases on Okinawa.

Nevertheless, touching on this issue at the Upper House Budget Committee session held on the same day, DA Director General Seishiro Eto stated: "I would like to clearly state that no extra measures [purasu arufa] are being considered at this moment," thereby stressing his negative approach.

Regarding the issue on SOFA revision, a MOFA source states that "the United States cannot be expected to agree to the revision," thereby indicating a cautious approach.

Despite the opposition indicated by the agency and ministry in charge, the Prime Minister's Official Residence is taking its own way [while leaving others biting the dust.] What lies behind this fact is the apprehension that "Okinawans are getting more excited, and this fact should be taken into consideration," (as stated by a top Government official.)

However, the fact is there has been almost no progress from the efforts to work out concrete measures for reducing the number of military bases or for revising the SOFA. Moreover, the Prime Minister's Official Residence has also given away its true understanding that "it will be very difficult to turn them into reality."

Large-scale Reduction Is Impossible

Director General Noboru Hoshuyama of the Defense Facilities Administration Agency [DFAA] met with Deputy Chief Cabinet Secretary Teijiro Furukawa at the Prime Minister's Official Residence on 15 October. Commenting on the possibility of a new alignment and consolidation of U.S. military bases, Hoshuyama admitted that "the possibility exists," and that "the possibility is under study now." However, he stressed: "The reduction will be so small in scale that it will

not be sufficient enough to make [Okinawan] Governor Masahide Ota change his position on refusing to sign documents by proxy."

The view prevailing at the Defense Agency indicates that "unless we are ready to accept the collapse of the Japan-U.S. alliance, it will be impossible to carry out a reduction large enough in scale that will win the appraisal of the governor or prefectoral residents," (according to a senior DA official.)

The U.S. military bases on Okinawa include: Marine Corps facilities including Camp Hansen and the Northern Training Area (accounting for 75 percent of all bases on Okinawa); Air Force facilities such as Kadena Air Base [KAB] (accounting for 21 percent); and Army and Navy facilities (which account for the remaining four percent).

The bases, the return of which local people strongly demand, are located in an area worthy of economic development, such as KAB and Camp Zukeran located in the central part of Okinawa. However, the fact is that "the United States has no intention of returning them," (as stated by a senior DFAA official.)

Moreover, KAB and its attached Kadena Ammunitions Storage Area are "the largest air base and storage facility in the Far East," (according to a top DFAA official). As they are of great importance to America's global strategy, it is feared that "if Japan should demand the return of these facilities, it will be tantamount to the notification of abolishing the Security Treaty," (according to a top DFAA official.)

Meanwhile, Japan and the United States have agreed to settle 26 cases of aligning or consolidating military bases; however, the fact is that 75 percent of the U.S. military bases in Japan are currently concentrated on Okinawa. Even if the 13 [figure as published] pending cases should be settled, the percentage will merely be reduced to about 74.5 percent.

In this connection, the fact is that even if new reduction measures should be taken, "no greater effects could be expected and prefectoral residents would not be satisfied," (according to a senior DA official.)

The United States Opposed to the Revision]

On the same evening, the top MOFA official pointed out: "We do not consider that the policy of improving operations of the existing SOFA has been changed. It will be most desirable for both Japan and the United States to agree to the SOFA revision." The same official added: "When it comes to revising the agreement, the point at issue will be what measures can be taken. It cannot be done by Japan alone." In this way, he

indicated his understanding that the United State may not agree to the revision of the agreement.

On 17 October, Prime Minister Murayama indicated that the operational improvement should not be carried out by exchanges of documents but by providing such provisions in the SOFA. However, MOFA takes a negative approach: The prime minister may have in his mind the plan of following the method of signing something like the "Bonn Agreement" signed between Germany and NATO; a MOFA source maintains that "as a result, it will be tantamount to revising the agreement, and therefore, it will be impossible to win American approval."

The United States is now faced with the problem of revising its agreements with Germany and the ROK. Therefore, it is observed that "once the Japan-U.S. agreement is revised, the United States will have to revise its agreements with Germany and the ROK," (as stated by another MOFA source.)

MOFA is concerned that "once the issue on SOFA revision is brought up, the United States may bring up the argument on revising the one-sided [henmuketi] Security Treaty," (as stated by a senior official). Therefore, MOFA intends to improve the operation of the agreement to an extent that will not lead to the revision of the agreement.

Tokyo Establishes Diplomatic Ties With Andorra

*OW2110005995 Tokyo KYODO in English
2340 GMT 20 Oct 95*

[FBIS Transcribed Text] Tokyo, Oct. 21 KYODO — Japan established diplomatic relations with Andorra on Saturday [21 October] with an exchange of diplomatic letters between Japan's Ambassador to France Koichiro Matsuura and Andorran Foreign Minister Manuel Mas Ribo.

The exchange of letters took place in Paris as Andorra became the 185th nation with which Tokyo has established diplomatic ties, the Foreign Ministry said.

Andorra is a principality of less than 500 square kilometers nestled in the Eastern Pyrenees Mountains between France and Spain.

It promulgated a constitution in May 1993 and the following month signed a treaty of cooperation with France and Spain recognizing its sovereignty.

Japan recognized Andorra as a state in December 1993.

Ex-Im Bank Offers Loans to Developing Nations

Indonesia: \$195 Million

*OW2310103195 Tokyo KYODO in English
0848 GMT 23 Oct 95*

[FBIS Transcribed Text] Tokyo, Oct. 23 KYODO — The Export-Import Bank of Japan signed a contract Monday [23 October] to provide a \$195 million syndicated loan with the Asian Development Bank to the Indonesian Government, bank officials said.

The government-backed bank said the loan will be used by Indonesia State Public Gas Corp. to finance a project to lay an 800-kilometer pipeline in the country.

Indonesia is pushing a plan to develop natural gas as an alternative energy source for oil, the officials said.

Mongolia: 4.49 Billion Yen

*OW2010075095 Tokyo KYODO in English
0731 GMT 20 Oct 95*

[FBIS Transcribed Text] Tokyo, Oct. 20 KYODO — Japan has extended to Mongolia official yen loans of up to 4.49 billion yen to help finance a project to repair a thermal power plant to secure stable supply of electricity in the country, the Foreign Ministry said Friday [20 October].

Mongolian Trade and Industry Minister Tsebegmidiy Tsogt and Japanese Ambassador to Mongolia Yoshihiro Hasumi exchanged documents on the aid in Ulan Bator earlier in the day, the ministry said.

The 30-year loan, with a grace period of 10 years, carries with it an annual interest rate of 2.3 percent.

Pakistan: 6.99 Billion Yen

*OW2010074995 Tokyo KYODO in English
0715 GMT 20 Oct 95*

[FBIS Transcribed Text] Tokyo, Oct. 20 KYODO — The export-import Bank of Japan signed a contract Friday [20 October] to provide a 6.99 billion yen loan in coordination with private financial institutions to the Pakistani Government, bank officials said.

The government-backed bank said the loan will be used by Karachi Electricity Supply Corp. in a project to expand its power transmission and distribution network.

The Bank of Tokyo, Sumitomo Life Insurance Co., Yasuda Fire and Marine Insurance Co. and Ibaraki Bank will provide a combined 2 billion yen of the loan, with the rest coming from the Ex-Im Bank.

Beijing To Seek MFN Status at APEC Summit
*OW2510143595 Tokyo NIHON KEIZAI SHIMBUN
in Japanese 22 Oct 95 Morning Edition p 3*

[By correspondent Hiroyuki Akita]

[FBIS Translated Text] Beijing, 21 October — The Chinese Government has decided on its basic policy toward a meeting of the Asia-Pacific Economic Cooperation (APEC) forum to be held in Osaka in November. At the APEC summit, Beijing will propose: 1) APEC members should equally provide each other with most-favored-nation (MFN) trade status; and 2) in view of member countries' and regions' differing conditions, trade and investment liberalization programs should have flexibility. Beijing plans to call for the inclusion of these proposals in "action guidelines" for liberalization to be compiled at the Osaka meeting. Because it is certain that the United States will oppose these proposals, the APEC forum is likely to have difficulty in coordinating their opinions.

This was recently disclosed by a high-ranking Chinese official in charge of APEC affairs at the Foreign Trade and Economic Cooperation Ministry during an interview with NIHON KEIZAI SHIMBUN. Regarding the issue that China seeks equal provision of MFN status among APEC members, he said: "Because if APEC members discriminate against specific countries and regions, this will constitute a big obstacle to liberalization efforts." He then indicated that the proposal should be implemented in 1996 and 1997.

Undoubtedly, Beijing's proposal for equal provision of MFN status aims to avoid possible U.S. trade discrimination against China. Until June of last year, Washington's policy had been that unless China improved its human rights records, the United States would discontinue granting MFN status to the country. Beijing's proposal aims to prevent the United States from reinstating this policy.

Concerning trade and investment liberalization, the high-ranking official said: "There are great differences in APEC members' level of development. It is not realistic for the forum to set high goals while ignoring this." In this way, he noted that liberalization programs for member countries and regions should vary according to their level of economic development.

While the proposal is in line with Japan's hope that some trade sections, including the farm sector, should be exempted from liberalization programs, it makes clear opposition to "liberalization without exceptions" proposed by the United States and Australia.

The official noted that trade and investment liberalization plans to be adopted at the APEC summit should

not be obligatory but voluntary goals. He said the observance of this principle is prerequisite for China's support for the "action guidelines."

An economist close to the Chinese Government said Beijing is worried that the United States and other countries "may press it to open wider its markets at the APEC forum." Thus, at the Osaka meeting China will maintain its assertion that "member countries and regions should promote market liberalization at their own pace," while basically supporting the promotion of trade and investment liberalization.

Singapore Pushing APEC Toward Free Trade
*OW2610020495 Tokyo KYODO in English
0022 GMT 26 Oct 95*

[Fourth in a series on the Asia-Pacific Economic Cooperation, APEC, talks in Osaka by Siti Rahil: "Singapore Ahead of the Pack in APEC"]

[FBIS Transcribed Text] Singapore, Oct. 26 KYODO — As one of the world's most open trading regimes, Singapore is a front-runner in pushing the Asia-Pacific Economic Cooperation (APEC) forum toward its goal of free trade, but this zeal has created slight friction with other Southeast Asian nations.

Singapore's support for APEC's efforts at trade and investment liberalization, facilitation and cooperation is not only aimed at boosting trade and investment in the Asia-Pacific area but also to engage major powers such as the United States and China in the post-Cold War world, Singapore officials say.

When APEC leaders declared their ambitious goal at their summit in Bogor, Indonesia, last year for APEC to achieve free and open trade and investment by 2010 for developed member economies and 2020 for developing economies, Singapore opted for the faster deadline even though it does not regard itself as a developed economy.

"We believe in free trade...We therefore want to set an example," Singaporean Prime Minister Goh Chok Tong said then.

This year, Singapore has urged APEC members to chart a credible "action agenda" for achieving that goal at next month's ministerial and summit meetings in Osaka and make substantive "down payments" at Osaka as a show of commitment.

With zero tariffs for almost all goods, Singapore has nothing to lose but everything to gain from trade liberalization in APEC, which accounts for 45 percent of world trade.

The government imposes high duties on only a few products such as motor vehicles — to discourage car

NORTHEAST ASIA

ownership and curb road congestion — and cigarettes, in line with its no-smoking policy.

A more liberal trade and investment climate in the Asia-Pacific region is crucial for the small city state at a time when the government is urging local companies to venture overseas in search of business opportunities so as to overcome a chronic shortage of land and labor, as well as rising business costs at home.

At the same time, Singapore views APEC as an economic complement to the ASEAN Regional Forum (ARF) in engaging powers such as the United States and China in the region.

The Association of Southeast Asian Nations (ASEAN) launched the ARF last year as a consultative grouping on security in the Asia-Pacific area.

A credible action agenda at Osaka is "critical in shaping a constructive and predictable post-Cold War pattern of Asia-Pacific relationships to ensure optimal conditions for growth into the next century," Goh said last month.

"This is the fundamental strategic importance of APEC. Of course APEC is an economic and not a political organization. But after the Cold War, economics, trade, investments and finance now profoundly influence the international dynamics."

Singapore is concerned about the trade spats between the U.S., which is its top trade partner and one of its biggest investors, and Japan and other Asian economies, which have been reluctant to open their markets.

It believes that if Asian economies could be persuaded to liberalize trade and investment in the context of APEC, this will increase the West's stake in Asia and help assure Asian countries of ready reciprocal market access in the West.

The republic is also eyeing the potentially huge Chinese market. As such it is eager to have China firmly entrenched within the APEC framework through APEC's program of trade and investment liberalization, facilitation and cooperation, to make it easier for China to join the World Trade Organization (WTO).

Singapore's stance on the pace and depth of APEC trade liberalization is in most cases closer to that of the developed Western member economies such as the U.S., Australia, New Zealand and Canada than to its ASEAN peers.

"In ASEAN forums, Singapore says ASEAN should stick together and that it is committed to the ASEAN spirit. But in APEC, Singapore officials are ready to do anything fast, even without ASEAN," said an APEC official from one of the ASEAN countries.

"Singapore doesn't have any tariffs to reduce, so they just tell other people what to do. This creates a kind of distance between Singapore And other ASEAN countries."

Singapore's position on APEC is in marked contrast to that of Malaysia, which has long opposed the institutionalization of APEC and criticized its dominance by developed Western member economies such as the U.S. and Australia.

Other ASEAN members such as Thailand and the Philippines, and even Indonesia, which hosted last year's APEC summit, are also not really committed to trade and investment liberalization as they have their own fledgling industries to protect.

ASEAN, which normally strives to speak with one voice at international forums, has accepted the reality that its members do not share a common position as far as APEC is concerned.

Since the countdown to Osaka began, Singaporean leaders have publicly exhorted APEC to move on whenever preparations for Osaka appeared to be bogged down by the members' differences.

APEC officials from ASEAN said that Singapore has mostly sided with the views of the Western economies during the five special sessions of APEC senior officials, which were held this year to prepare the action agenda for Osaka.

MOFA 'Perplexed' Over Worsening ROK Ties

OW2610032295 Tokyo NIHON KEIZAI SHIMBUN
in Japanese 21 Oct 95 Morning Edition p 3

[FBIS Translated Text] "There is no problem in relations between Japan and the ROK at present. The two countries have never before had such a favorable relationship." In early October, Deputy Foreign Minister Shunji Yanai made this report to Foreign Minister Yohei Kono after returning from his visit to the ROK. This year marks the 50th anniversary of the end of World War II and the 30th anniversary of the normalization of diplomatic relations between Japan and the ROK. Since the beginning of this milestone year, the Japanese Government has used every discretion in dealing with Japan-ROK relations. In a comment issued on 15 August, Prime Minister Tomiichi Murayama frankly expressed remorse for Japan's past colonial rule. Given the situation, the general view within the Ministry of Foreign Affairs [MOFA] was that it "has succeeded in stabilizing Japan-ROK relations." Foreign Minister Kono contentedly nodded to Yanai's report, which was based on this strong confidence.

Soon after that, the situation suddenly changed. The DPRK strongly reacted a few days after the prime minister gave a legal interpretation of the Japan-Korean Annexation Treaty at a Diet session. As if the DPRK's opposition spread to the ROK, anti-Japanese sentiments have rapidly worsened in the ROK. MOFA is perplexed, saying: "The prime minister's remark is same as the Japanese Government's long-held position. Why has this created a big stir?" (as stated by a top MOFA official).

The current deterioration in Japan-ROK relations is a result of the "differences between the two countries in recognizing issues concerning the past." However, some people within the government and the ruling parties have analyzed the situation and come to the conclusion that because of the "fact that both Japan and the ROK have lost behind-the-scenes negotiators and communications channels, bilateral relations have been greatly affected," (as stated by a senior MOFA official).

When formal negotiations came to a deadlock in the past, "scene shifters within the Liberal Democratic Party or MOFA secretly acted to settle the situation and prevented the bilateral relations from deteriorating" through the Japan-ROK Parliamentarians Union and other channels. However, it has been said that such channels have not functioned well due to the generational change and other reasons, and "behind-the-scenes efforts have failed to control" bilateral relations, (according to the senior MOFA official). As for rice aid to the DPRK, the Japanese side understood that it "provided rice aid to the DPRK while keeping in close contact with the ROK Government," (as stated by a MOFA source). Nevertheless, the ROK side feels that Japan "bypassed the ROK in implementing" the rice aid and that "Japan is trying to hamper the reunification of South and North Korea."

The Japanese Government, for its part, hopes to immediately mend the bilateral relations. However, it has failed to come up with the necessary steps. It seems that, for the time being, the government "has no choice but to wait until the public sentiments in the ROK calm down spontaneously," (according to the senior MOFA official).

BOJ's Matsushita Briefs Keidanren on Economy
OW2510113395 Tokyo KYODO in English
0752 GMT 25 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 25 KYODO — Bank of Japan (BOJ) Governor Yasuo Matsushita indicated to Japanese business leaders Wednesday [25 October] that the central bank will be unable to ease credit further, business officials said.

Matsushita told leaders of the Federation of Economic Organizations (Keidanren) in a meeting that macroeconomic policy measures to reinflate the economy "have been nearly exhausted," Keidanren officials said.

Keidanren Chairman Shoichiro Toyoda and other Keidanren officials were present at the meeting.

Matsushita also told the executives that private capital spending, which is showing signs of increasing, is likely to bolster the economy.

EPA Reports Growing Business Confidence
OW2610082695 Tokyo KYODO in English
0740 GMT 26 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 26 KYODO — Most major Japanese companies have revised upward their capital spending plans for fiscal 1995 as business confidence improves, the Economic Planning Agency (EPA) said Thursday [26 October].

Recovering stock prices and a weakening of the yen boosted business confidence, it said.

Corporate investment by such firms in the current year ending next March 31 will rise 3.3 percent over the previous year to about 42.17 trillion yen, compared with an initially projected 1.6 percent fall, the agency said in a report based on a quarterly survey conducted Sept. 1.

It will be the first yearly growth of such outlays in four years, an agency official said.

The findings of the September survey possibly reflected corporate expectations of credit-easing and a government pump-priming package, both of which were announced after the survey date, the official said.

Major manufacturers plan to increase capital spending by 11.7 percent, up from an initial 2.1 percent growth, resulting in the first yearly rise in four years.

Although remaining in the minus column for the third consecutive year, major nonmanufacturing companies also revised upward their corporate investment plans to a 0.3 percent dip from a 3.2 percent fall projected earlier.

The agency surveyed 4,542 companies with capital of 100 million yen or more, with 4,365 companies or 96.1 percent responding.

In the manufacturing sector, capital spending by paper and pulp makers will see the greatest yearly rise — of 64.5 percent — because of strong demand for information-related manuals and booklets as well as for advertising leaflets, the official said.

Corporate investment by electrical machinery makers will increase by 27.5 percent and that by automakers up 13.9 percent.

Among nonmanufacturers, service companies will raise capital spending by 10.7 percent, followed by financial and insurance concerns with a 5.2 percent gain.

In contrast, real estate companies will cut investment by 20.7 percent, largely contributing to the continued negative growth in the nonmanufacturing sector, the official said.

The survey also showed that the business survey index, a figure obtained by subtracting the percentage of companies that are negative about their business prospects from the ratio of those having a positive outlook, was minus 6 for the October-December quarter, slightly improving from minus 8 in the previous quarter.

The index for the January-March quarter turned positive at plus 6.

The business outlook remains cautious but corporate managers are expecting an improvement in the future, the agency said.

The index for the nation's economic outlook also turned positive for the January-March quarter at plus 14, compared with minus 2 for the October-December quarter and minus 8 for the July-September quarter.

EPA Says Deflationary Fears Increasing

*OW2610085495 Tokyo KYODO in English
0809 GMT 26 Oct 95*

[FBIS Transcribed Text] Tokyo, Oct. 26 KYODO — Deflationary fears have been increasing in Japan as the economy remains in a standstill amid a continued fall in prices, the Economic Planning Agency (EPA) said Thursday [26 October].

Since the beginning of 1995, wages and corporate incomes have been showing slower growth, while the jobless rate has been staying at high levels, the EPA said in a 1995 price report.

"There are growing concerns that Japan could fall into deflation," an EPA official said, briefing reporters about the price survey.

The government, if necessary, should take an appropriate step to forestall deflation by expanding total demand and putting the economy on a full recovery track, he said.

In the report, the EPA said it does not regard mere price falls as deflation. It defines deflation as a combination of price declines and economic slowdown, the agency said.

According to the economic assessment by the EPA, Japan hit a peak in the second quarter of 1991 and touched a trough in the fourth quarter of 1993 in the latest round of economic cycle.

Until recently, the EPA said the economy was on a moderate recovery track. In its monthly economic report released in September, however, the agency omitted the word "recovery" from its economic assessment.

The EPA official said the continued downtrend in prices does not show Japan is in a deflationary situation.

Recent price drops resulted from the so-called "price destruction" phenomenon, namely an improvement in productivity, he stressed.

The EPA report said overall consumer prices showed an average annual increase of around 3 percent between fiscal 1989 and fiscal 1991. Japan's fiscal year runs from April through March.

The growth rate of overall consumer prices then continued to fall, even after the economy touched the 1993 trough, and came to a marginal 0.6 percent in fiscal 1994, it said.

The report also said overall wholesale prices have continued to fall since fiscal 1991. Their decline expanded until fiscal 1993 and then slowed to stand at 1.6 percent, it said.

Price falls were noticeable in textile products and consumer durable goods both at the wholesale and retail levels, the report said.

In the two sectors, price declines were bigger at the retail level than the wholesale level, it said.

The EPA official said this shows the price-destruction phenomenon now taking place in Japan means a decline in margins in the distribution sector.

The report said price destruction has stemmed from a change in the behavior of the supply side, including the emergence of revolutionary distributors.

The entry of such drastic discounters prompted supermarket stores and other traditional retailers to lower prices at their shelves, it said.

The report said Japanese consumers are increasingly becoming cost-conscious. Cheaper foreign products are coming into Japan amid the yen's rise against the dollar and the government is promoting deregulation of the economy, it said.

These factors are behind the price-destruction phenomenon, the report said.

There is a strong possibility that price destruction will continue amid changes in Japan's production and distribution structures, it said.

Tax Cuts To Continue if Economic Doldrums Stay

*OW2510040695 Tokyo KYODO in English
0325 GMT 25 Oct 95*

[FBIS Transcribed Text] Tokyo, Oct. 25 KYODO — The government is planning to continue a special tax reduction of 2 trillion yen into fiscal 1996 in view of the current state of the Japanese economy, a spokesman said Wednesday [25 October].

"The government will continue the tax reduction" next year if the economy remains in the doldrums, Chief Cabinet Secretary Koken Nosaka said at a news conference.

In September 1994, the government decided to continue income tax cuts through the two-tier method of shaving 3.5 trillion yen through reform of the progressive levy system as a permanent measure, and by trimming 2 trillion yen through a cut in the uniform levy rate as a special step for fiscal 1995 and 1996.

At the time, the government also said the special cuts in income and residential taxes in fiscal 1996 would be subject to review if the economy improves significantly.

Corporate Tax Change 'Unlikely' in FY96 Reform

*OW2410110195 Tokyo KYODO in English
1015 GMT 24 Oct 95*

[FBIS Transcribed Text] Tokyo, Oct. 24 KYODO — The tax reform for fiscal 1996 starting next April is unlikely to include changes in taxation on corporations, the head of the government's Tax Commission said Tuesday [24 October].

"Deliberations on corporate tax will likely continue until fall next year...(the conclusion) may not come out soon enough for the annual tax reform," said Kan Kato, chairman of the advisory body to the prime minister.

After the Tax Panel's general meeting, Kato told reporters that a subcommittee to review the corporation tax system will start discussions Friday with a view to making recommendations around next autumn.

At the day's meeting, the commission exchanged views on the liquor tax and other individual commodity taxes, Kato said.

Referring to an international liquor tax dispute over a gap in Japanese tax rates on the nation's traditional distilled "shochu" spirits and on imported whiskey, Kato said commission members generally agreed that Japan should continue to maintain its position before a

conclusion is reached by the World Trade Organization (WTO).

Some members pointed to a difference in custom between Japan and foreign countries, Kato said.

The European Union claims that Japan's application of low tax rates to shochu hampers liquor imports.

Since Japan and the EU failed to resolve the dispute, the WTO set up the dispute-settlement panel in September to come up with a conclusion within a year.

The commission also discussed the introduction of a numbering system for taxpayers, Kato said.

It will further study the viability of such a system by considering costs, possible money flows and privacy protection with a view to winning people's understanding, Kato said.

Takemura Eyes Tax Reform for Religious Groups

*OW2510090595 Tokyo KYODO in English
0631 GMT 25 Oct 95*

[FBIS Transcribed Text] Tokyo, Oct. 25 KYODO — The government will consider including taxes on nonprofit corporations in the set of tax reforms for fiscal 1996, Finance Minister Masayoshi Takemura said Wednesday [25 October].

"The ruling parties are discussing it, and the Finance Ministry hopes to respond to the matter seriously," Takemura said at a press meeting.

Takemura expressed dissatisfaction with the current tax system under which taxes on nonprofit organizations are limited to their profit-making operations.

"I feel there is an inconsistency in the fact that untaxed money was used by Aum Shinrikyo for antisocial activities like the manufacture of sarin and weapons," the minister said.

The sarin gas attack and other crimes allegedly carried out by Aum have led to the proposal of a revision in the Religious Corporation Law to allow tighter control on religious groups.

Takemura suggested that the current system whereby religious groups are considered nonprofit organizations should be drastically changed. "I don't think they should be put in the same category," he said.

NTT Head Wants Telecom Business Deregulated

*OW2510091195 Tokyo KYODO in English
0734 GMT 25 Oct 95*

[FBIS Transcribed Text] Tokyo, Oct. 25 KYODO — The president of Nippon Telegraph and Telephone

Corp. (NTT) on Wednesday [25 October] called for the deregulation of the telecommunications business to promote competition.

Under existing regulations, licensing standards are too particular as they divide telecommunications operators into portable, long-distance, international and other telephone services, Masashi Kojima told a press conference.

Deregulation would promote competition by permitting telecommunications operators from their current service areas into new ones, Kojima said.

He also said that long-distance phone charges in Japan should be lowered as they are high by international standards.

But Kojima declined to say when NTT, Japan's biggest domestic telecommunications company, intends to cut its rates.

Firms Ordered To Pay Over Bid Rigging

*OW2510093695 Tokyo KYODO in English
0904 GMT 25 Oct 95*

[FBIS Transcribed Text] Tokyo, Oct. 25 KYODO — The Fair Trade Commission [FTC] ordered 37 companies Wednesday [25 October] to pay a total of some 170 million yen in penalties for rigging bids for contracts awarded by a government foreign aid agency.

The order came seven months after the nation's fair trade watchdog warned the companies to stop rigging bids for technical assistance projects funded by the Official Development Assistance (ODA) program and awarded by the Japan International Cooperation Agency (JICA).

The companies in question include nine major Japanese trading houses — Itochu Corp., Mitsui and Co., Sumitomo Corp., Marubeni Corp., Mitsubishi Corp., Nissho Iwai Corp., Tomen Corp., Nichimen Corp. and Kanematsu Corp.

Major department stores such as Mitsukoshi Ltd., Daimaru Inc. and Isetan Co. are also among them.

Kanematsu was ordered to pay the biggest penalty of 12.05 million yen. The smallest penalty is 700,000 yen to be paid by second-tier trading house Kinsho-Mataichi Corp.

The FTC said the 37 companies had rigged bids for almost all contracts valued at 5-6 billion yen and awarded every year by JICA since 1987 until September last year.

The latest order takes aim at bid rigging over contracts awarded for three years up to September last year.

In 1994, Japan kept its position as the world's largest donor of ODA in dollar terms for the fourth straight year, providing 13.46 billion dollars.

Technical assistance accounts for about 20 percent of the aid.

Experts Meet on Accident Response Network

*OW2310082695 Tokyo KYODO in English
0612 GMT 23 Oct 95*

[FBIS Transcribed Text] Hiroshima, Oct. 23 KYODO — Some 50 experts in the treatment of radiation-caused illnesses began an international conference in Hiroshima on Monday [23 October] aimed at building an international network for quick response to medical emergencies involving nuclear radiation.

The experts from nine countries are meeting at the Radiation Effects Research Foundation under the sponsorship of the United Nations' World Health Organization (WHO).

In an address to the conference, WHO Executive Director Wilfried Kreisel said Hiroshima and Nagasaki, the only cities in the world to have suffered from atomic bombings, are the spiritual leaders of the world's peace movement.

Kreisel said the experience gained in the two cities is a valuable help in the event of major nuclear accidents.

The foundation's chairman, Itsuzo Shigematsu, told the conference that interest in medical treatment in the aftermath of a nuclear accident has grown because of the recent major disaster in the Kobe area, the Jan. 17 Great Hanshin Earthquake which destroyed much of Kobe and killed more than 5,000 people.

Aomori Prefecture Willing To Host ITER

*OW2310124695 Tokyo KYODO in English
1155 GMT 23 Oct 95*

[FBIS Transcribed Text] Aomori, Japan, Oct. 23 KYODO — Aomori Gov. Morio Kimura said Monday [23 October] his prefecture is ready to host an international experimental nuclear reactor being developed jointly by Japan, the United States, Russia and the European Union.

Speaking at a press conference, Kimura said construction of the International Thermonuclear Experimental Reactor (ITER) near the village of Rokkasho in the northeast Japan prefecture could help contribute to local economic development and make an international contribution as well.

The comment followed the Aomori Prefectural Assembly's adoption last Wednesday of a resolution calling

for hosting the ITER at Rokkasho, home to a nuclear recycling complex.

Aomori Prefecture is the third domestic local area to make a bid for hosting the ITER, following the town of Naka in Ibaraki Prefecture and Tomakomai in Hokkaido.

Antinuclear activist Baku Nishio is skeptical about the ITER, saying that the reactor could release radioactive tritium and cause environmental problems.

The ITER is an experimental reactor designed to study nuclear fusion, with the start of operation slated for 2005.

'Sources' Reveal DA Proposal for SDF Cuts

OW2510164895 Tokyo KYODO in English
1514 GMT 25 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 25 KYODO — The defense agency [DA] will submit a draft table Friday [27 October] for a new national defense program outline to the government Security Council which includes a cut in the ceiling on ground self-defense force (gSDF) personnel by 20 percent, agency sources said Wednesday.

The new table, which will replace the 1976 one, will cut the ceiling on the number of gSDF personnel by 20 percent from the current 180,000.

The agency will introduce a standing reserve system with a ceiling of 18,000 troops. The new ceiling on the number of gSDF personnel will be 144,000, the sources said.

The number of gSDF divisions would also be reduced from the current 12 to eight with the creation of brigades on a smaller scale but armed with helicopters.

The agency will propose cutting the number of tanks from the current 1,200 to 960.

As for the maritime self-defense force, the number of antisubmarine surface-ship units, which currently stands at 10 divisions, would be cut by one-quarter or one-third.

The agency plans to cut the number of antisubmarine surface ships to 54 from the current 60.

The number of operational aircraft — some 220 — would be cut by 20 percent, the sources said.

The number of aircraft control and warning units of the air self-defense force will be cut by one-third from the current 28 groups.

The 1976 national defense program outline has served as Japan's basic defense guideline.

The government is expected to decide on the new proposals for the outline as early as mid-November.

Table of Parliamentary Strength Reported

OW2510102695 Tokyo KYODO in English
0445 GMT 25 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 25 KYODO — The following is a new table of parliamentary strength in both houses of the Diet after Seiichi Kaneda, a member of the House of Representatives who has recently left the Independent Club, joined New Party Sakigake [Harbinger] on Wednesday [25 October]:

House of Representatives	House of Councillors
Ruling coalition	
LDP 209	LDP 110
SDP 63	SDP 39
New Party Sakigake 22	New Party Sakigake 3
Opposition	
Shinshinto 170	Heisei-kai 68
JCP 15	JCP 14
Minshu-no-kai 6	Sangiin Forum 5
New Democratic Club 3	Shin Ryokufu-kai 4
Independent Club 2	Niin Club 4
Independents 8	Independents 4
Vacancies 13	Vacancies 1
Total 511	252

Note: LDP is the Liberal Democratic Party, SDP the Social Democratic Party, and JCP is the Japanese Communist Party.

Ministries' Reactions to New LDP Head Viewed

OW2610062995 Tokyo SHUKAN DAIYAMONDO in Japanese 7 Oct 95 pp 152-153

[Article by Tadahide Ikuta from the "Deep Structure of Kasumigaseki" series: "Only MITI 'Enthusiastically Welcomes' New LDP President Hashimoto — Differences in Degrees of Expectations"]

[FBIS Translated Text] Former Deputy Chief Cabinet Secretary Nobuo Ishihara (former home affairs administrative vice minister) holds the following view on Ryutaro Hashimoto, who has become the Liberal Democratic Party [LDP] president: "Mr. Hashimoto is a person who understands the rules of the bureaucrats' world and their way of thinking."

"I think we can say his view on bureaucrats has been influenced by the late Prime Minister Eisaku Sato — who was a sworn friend of his father, the late Welfare and Health Minister Ryugo Hashimoto — and former Prime Minister Noboru Takeshita, his immediate master."

In fact, there are not that many bureaucrats in Kasumigaseki who express "a sense of incompatibility" with Hashimoto's way of thinking and acting.

However, the atmosphere in Kasumigaseki appears to be far from that of "enthusiastically welcoming" Hashimoto's emergence as the new LDP president. Also, there is a difference in the "degree of expectations" toward him among the ministries.

First of all, the Ministry of International Trade and Industry [MITI] is expecting a lot from Hashimoto.

The fact that he is the incumbent MITI minister does not seem to be the only reason behind MITI's expectations. Senior MITI officials welcome "New LDP President Hashimoto."

According to a senior official at MITI's Natural Resources and Energy Agency, "When the LDP government was at the height of its power, all those powerful figures who became prime minister — such as Kakuei Tanaka, Takeo Miki, and Yasuhiro Nakasone — had served as MITI minister. However, former prime ministers like Noboru Takeshita and Toshiki Kaifu did not have the experience of holding the MITI ministerial post, nor has New Frontier Party [NFP] Secretary General Ichiro Ozawa.

"We finally have a minister who is a candidate for prime minister."

A senior official at MITI's Industrial Policy Bureau said: "While Mr. Hashimoto presented a vision to 'cheer up Japan!' at the time of the LDP's presidential race, many of its significant points reflect a deep understanding of our ministry's policies.

"I think Mr. Hashimoto has carefully listened, even to what division chief level officials have to say, and he has recognized the role of our ministry in the government very well. Mr. Hashimoto seems to have become a 'MITI sympathizer'."

As a matter of fact, the visions of reform presented by Hashimoto during his campaign for the LDP presidency share the same view with the policies advocated by MITI in many respects: Issuing deficit-financing bonds to stimulate the economy, and reviewing tax systems on land, securities, and corporations, for example. Although these policies are what the Ministry of Finance [MOF] has been strongly resisting, MITI calculates

that it gained a foothold in realizing them by having Hashimoto as a "sympathizer."

Incidentally, when Hashimoto assumed the MITI ministerial post after the LDP, Sakigake, and Social Democratic Party [SDP] coalition government was formed last year, the atmosphere at MITI was extremely tense at first.

The biggest reason why MITI was nervous was because Hashimoto had been severely criticizing the attitude of then MITI Administrative Vice Minister Hideaki Kumano in relation to the incident in which MITI's Industrial Policy Bureau Chief Masahisa Naito was dismissed in late 1993.

In that incident, Kumano did not stop MITI Minister Hiroshi Kumagaya of the NFP from taking strong measures and dismissing Naito, and he was clearly showing a pro-Ozawa attitude by tying up with Administrative Vice Finance Minister Jiro Saito.

What kind of "revenge" would be taken by Hashimoto, who became MITI minister, over the case? The MITI leadership was seriously worried.

However, while Hashimoto drove Kumano to resign, his way of doing so was said to be relatively soft. As stated by a MITI bureau chief, although "I question Mr. Hashimoto's character," — it did not end in internal strife as in the Naito case.

What worried MITI when Hashimoto took the MITI ministerial post last year was the wide gap between the policies that he had been advocating and those of MITI. In particular, Hashimoto and MITI had been at odds several times in the past over how to cope with the "environmental" issues. However, MITI has shown much consideration for Hashimoto, and at the same time, Hashimoto appears to have avoided standing in opposition to MITI in terms of the "environment" as well as other policies.

On this matter, a younger official at the MITI minister's Secretariat said, "Minister Hashimoto, who wants to take the "nation's leadership," must have thought that it was unwise to make an enemy of MITI and industry. It has been whispered within the ministry that 'Mr. Hashimoto has grown up'."

MOF: Use Hashimoto as Shield To Protect Organization; Transport Ministry and Management and Coordination Agency: Wait and See

While MITI expects a lot from Hashimoto, the MOF has a rather passive, less passionate expectation.

Because of the Nakajima [former senior MOF official] issue and other problems, the MOF, finds itself in the

"worst pinch since the war," according to a senior MOF official.

In Nagatacho, LDP forces — like former Home Affairs Minister Hiromu Nonaka, former Transport Minister Shizuka Kamei, and LDP Secretary-General Koichi Kato — have further attacked the MOF.

However, those who criticize and take a hard-line stance against the MOF became the nucleus of Hashimoto's support at the recent LDP presidential election.

A mid-ranking MOF division chief predicted the MOF's relationship with the LDP under President Hashimoto in the future, saying: "Mr. Hashimoto has experienced the finance ministerial post, and knows our ministry's situation very well.

"I guess he, as a matter of course, understands the negative aspect of further driving the MOF into a corner. I think the moves by MOF critics within the LDP will be curbed as a result of Mr. Hashimoto becoming president."

While MITI backs Hashimoto in realizing its policies, the MOF is trying to rely on Hashimoto as a "shield" to defend its organization. And in fact, the MOF's top-ranking and senior officials are anxiously seeking Hashimoto's understanding by paying him frequent visits.

Naturally, Hashimoto must have requested the amount of deficit-covering bonds to be issued and their use, or the tax system's review. In that respect, MITI, which has recently been at a disadvantage, seems to be finally recovering its lost status by having Hashimoto as its minister.

Speaking of reactions by other ministries, the Health and Welfare Ministry and Transport Ministry are somewhat subtle on the issue.

The relationship between Hashimoto and the Welfare Ministry is so close that it can be said that the ministry is Hashimoto's "electoral turf."

Hashimoto is an advocate of "zoku" dietmen [dietmen who specialize in specific issues and can exercise influence on the ministries in charge of the issues]. Hashimoto is a "sharo zoku." In other words, he is the "boss Dietman of the Welfare Ministry," and is said to have exercised influence not only on the ministry's budget and policies, but also on the personnel appointments of its senior officials.

A senior ministry official commented on the impact of "President Hashimoto" on the ministry, saying: "We greatly welcome Mr. Hashimoto as LDP president. But since he has become LDP president, we may no longer be able to expect him to be our ministry's 'head rooter.'"

On the other hand, the Transport Ministry is closely connected with NFP executives such as former Transport Minister Mutsuki Kato. Even at the time when Kamei was taking the transport ministerial post, the ministry's top-ranking officials had almost openly had contact with NFP executives. While Hashimoto has served as Transport Minister, his relationship with the ministry is currently not necessarily on good terms, not to mention the fact that Hashimoto and Kato are going to run in the same single-seat constituency in the next general election.

A bureau chief-level official at the Transport Ministry expressed his concern by saying: "Mr. Hashimoto is really vulnerable to powerful ministries such as the MOF and MITI. In contrast, he is said to have a tendency to make light of other ministries. I am worried about how Mr. Hashimoto will treat us."

In Kasumigaseki, the Management and Coordination Agency, which is in charge of administrative reform, seems to be the one most worried.

At the time of the second Ad Hoc Commission on Administrative Reform, Hashimoto, as the LDP's Research Commission on Public Administration and Finances chairman, took the initiative in promoting administrative reform such as the privatization of the Japanese National Railways and Nippon Telegraph and Telephone Public Corporation, and was regarded as the leader of "administrative reform zoku."

However, Hashimoto's track record since then reveals that he has not necessarily been aggressive in carrying out administrative reform. There is also deep-rooted opposition to Hashimoto among the agency's senior officials.

According to an agency division chief: "Mr. Hashimoto has pledged that he will set up the third Ad Hoc Commission on Administrative Reform during his LDP presidential campaign, but I wonder how serious he is."

At any rate, it can be said that Kasumigaseki's reaction, with the exception of MITI, to Hashimoto's emergence as LDP president is very cool.

Nation's Conservatism Analyzed

952B0241A Tokyo SEIRON in Japanese Oct 95
pp 100-110

[Article by Kenichi Matsumoto, critic: "Japan's Conservatism"]

[FBIS Translated Text]

Isolationist Conservatism

The left wing disappeared after the dismantling of the Cold-War structure. The conservatives once positioned themselves between two extremes, but they have now lost their ideological roots and are merely conducting themselves in a manner designed to cling to power. They conduct themselves in such a manner even though they should initiate clear-cut moves to effect a "Third Opening of Japan"....

Parliamentary Resignation of Shintaro Ishihara

It was April of this year that Shintaro Ishihara, former minister of transport and Liberal Democratic Party (LDP) House of Representatives member, resigned his parliamentary position. Only four months have passed since his resignation, but it feels like a considerable time has transpired.

The reason for that impression is that although Ishihara's parliamentary resignation essentially represented criticism of the "degeneration of party politics" caused by the LDP-Social Democratic Party of Japan (SDPJ) coalition government, the move had no "palpable effect" on the LDP-SDPJ coalition government which continues to engage in collusion to maintain government power. In other words, Ishihara's resignation did not impact on the political world in any way whatsoever. Moreover, the resignation did not lead to any changes in the political situation, and the impression that the passage of time took place to no avail has no doubt caused us to lose sight of the significance of time.

Two years ago when the Hosokawa coalition government was formed, the public was inspired by the thought that the time for reform had arrived, that Japan would probably, in the least, extricate itself from the 1995 political system which had been sustained by the global Cold-War structure. However, in the end, nothing had changed. Of special significance is that after the birth of the LDP-SDPJ coalition government, which was tantamount to an even greater undisguised manifestation of the 1955 political system, the feeling that politics was not about to change in any way whatsoever alienated the public from political parties and seems to have given birth to a Tokyo Governor Yukio Aoshima and Osaka Governor Nokku Yokoyama.

According to Tsutomu Nishibe the birth of Governors Aoshima and Yokoyama was a situation in which "the blind voted for the blind," but in my way of thinking that was not the case. The public is thoroughly disgusted with current party politics which make a naked display of collusion and the combining of numbers to form power structures. Because of such circumstances, the public probably opted for candidates who were not

influenced by political parties, in fact, candidates who had distanced themselves from politics. I would like to discuss this particular point in somewhat greater depth separately, but in any event Ishihara gave as reasons for his resignation his mistake and accountability for having once taken the initiative to endorse the LDP-SDPJ coalition government which is the primary cause for today's "degeneration of party politics."

On 15 April, Ishihara expressed words of appreciation after being recognized for 25 years of service with the House of Representatives, but included in his speech his reasons for resigning from his Diet seat by stating:

"Now that we witness a collapse in the Cold-War structure which had been created on the basis of ideological confrontations, the disappearance of such confrontations has plunged us into a new form of frivolous confusion.

"Although a number of issues have surfaced which hold the risk of compromising the future of Japan which is endowed with an abundance of potential for creation of a new cultural order, current governments have failed to engage themselves in such issues while all political parties and almost all politicians have obsessed themselves solely with the most selfish and disgusting objective of self-preservation or with concerns of how they will preserve their individual positions.

"The public has surpassed the limits of disdain for current politics, are tired of being betrayed, and have lost complete interest—a situation which can be described as none other than a substantial crisis...."

The foregoing address by Ishihara points to three reasons for his resignation. First, he spoke of a "substantial crisis in politics" predicated by the loss of "political confrontation" based on the "collapse" of the "Cold-War structure." Second, he spoke of being at a stage where we must create a "new cultural" perspective, but that politicians and political parties are obsessed with "self-preservation." And, third, the public is fed up with current conditions.

Needless to say, such reasons emphasize ideological bases concerning political parties rather than abstract matters and do not attempt to specifically discuss the shortcomings of the LDP-SDPJ coalition government. The address may have represented an attempt to avoid any criticism of the Murayama cabinet, which is composed of the LDP-SDPJ coalition, in its very presence. At the press conference following the House of Representatives plenary session, he clearly stated:

"I feel responsible for having expressed approval of the LDP-SDPJ coalition government. I am personally responsible for having said, 'If I were to form a coalition,

it would be with the SDPJ.' I am unable to forgive myself for making that mistake," thus, expressing self-criticism for promoting the LDP-SDPJ coalition government.

His feelings in this respect were referred to in an interview which I conducted with Ishihara two days before he resigned from the Diet. The interview was covered in the 19 April edition of the "SANKEI SHIMBUN's" column titled "Seiron [Logical Discussion]," under the subtitle "Ishihara Disappointed with Domestic Reforms," as follows:

"What are your thoughts concerning the current political situation? To me (Matsumoto), it appears that the LDP-SDPJ coalition Murayama government refuses to make any decisions, shuns all responsibilities, and has shelved or postponed action on all issues...."

Ishihara replied by commenting, "I think the situation is as you describe it. Current political parties have failed to clarify their ideological positions and merely act to cling to power. Almost all politicians are obsessed with self-preservation. In my case, they say, 'You (Ishihara) are fortunate in that even if you quit as a politician, you can go back to being a novelist.' In any case, I will clarify my ideas on the current political situation in an important announcement to be made two days from now...."

When Ishihara said, "Current political parties have failed to clarify their ideological positions and merely act to cling to power," he was attacking the miserable state of affairs with the LDP-SDPJ coalition government. However, when he reminded himself that it was he that proposed the LDP-SDPJ coalition government, he resigned as a parliamentarian to take responsibility for his own political judgment.

Ideologies of the LDP-SDPJ Coalition Government

The LDP and SDPJ confront each other in terms of ideologies and have had few points where they agree on policies. These two parties, which formed a coalition government with the mediation of Shinto Sakigake President Masayoshi Takemura, embraced the apparent principle of forming an "alliance of doves to preserve the constitution."

However, it is a well-known fact that the SDPJ opposed the Japan-U.S. security treaty and that it considered the Self-Defense Forces (SDF) to be unconstitutional, and it must now clarify its ideological basis for changing its posture wherein it now states that it will maintain the Japan-U.S. security treaty and considers the SDF to be constitutional. Asserting that the change in posture took place because of the dismantling of the Cold-

War structure (i.e., because the objective situation had changed) would not qualify the SDPJ as being a political party based on ideologies. Further, if the objective situation should change, the party will probably reverse its position once more.

Needless to say, when one considers politics to be a power struggle, it was a logical option for the LDP, which became an opposition party two years ago, to temporarily join hands with the SDPJ, which had later similarly become an opposition party, for the purpose of overthrowing the Hosokawa coalition government. However, qualification as a logical option would be premised on the SDPJ taking the initiative to clarify its reasons for converting its ideologies, or on the formation of a firm policy agreement between the LDP and SDPJ.

In fact, former Prime Minister Yasuhiro Nakasone in June of last year made the following statement immediately before the formation of the LDP-SDPJ coalition government ("KEIEIJUKU" July 1994 issue):

"....The opposition parties, primarily the LDP, SDPJ, and 'Sakigake,' are thinking of overthrowing the cabinet (Hosokawa and Hata coalitions) at an early date. Such a posture is logical for opposition parties. The work of politicians involves the formation or overthrow of cabinets, a case of moving ultimately in either direction. Accordingly, it is logical from a constitutional government viewpoint for the opposition party (LDP) to think in terms of how it will overthrow the cabinet.

"However, a problem is that the recent two years have witnessed unstable political situations, short-lived cabinets, and a complete loss of trust on the part of foreign countries. ...In conclusion, long-term governments endure only if their basic structures comprise very close or compatible elements in terms of ideology and policy.

"As an example, if the SDPJ persists in its failure to clarify its doctrine and policies and continues to take makeshift measures, in connection with the LDP-SDPJ alliance, the situation will be identical to that which prevailed with the Hosokawa cabinet." (Underscoring furnished by writer.)

In the preceding quote, Nakasone states, even if an LDP-SDPJ coalition government is formed, it must represent a "very close or compatible partnership" in terms of ideology and policy to become a long-term stable government capable of gaining the trust of foreign countries.

However, there are no points of agreement from both an ideological and policy viewpoint in the case of the LDP-SDPJ alliance of the Murayama government. Basically, in forming the alliance, the SDPJ has failed to "clarify its doctrine and policies." During an interview with me

NORTHEAST ASIA

in April of this year, Nakasone revealed he did not cast his ballot for Prime Minister Murayama for that reason ("VOICE," June 1995 edition).

In relation to this situation, former Prime Minister Kiichi Miyazawa, who helped organize the LDP-SDPJ coalition government by supporting LDP President (and Foreign Minister) Yohei Kono, makes no attempt to assume responsibility for creating the current miserable political situation. He does not view the situation as reflecting a "decline in party politics."

Miyazawa replied to a question from Takafumi Wakamiya in a book titled, "New Proclamation Concerning Preservation of the Constitution" (ASAHI SHIMBUNSHA) by stating:

"Question: In forming the LDP-SDPJ coalition government, did Miyazawa feel a sense of uncertainty or lack any degree of conviction? I ask this question because there was no guarantee that Murayama would reverse his policy stance with any conviction.

Miyazawa: "However, from the beginning, during the 1993 elections, (the SDPJ) strangely professed that it would embrace LDP policies, and even after the formation of the Hosokawa cabinet, it displayed some resistance, but continued to conform acceptably with LDP movements. The fact that the SDPJ suddenly allied itself with the LDP was of an 'emergency nature' and I do not believe that it reflected the best of procedures. However, I believe that the recent drastic policy reversals of the SDPJ should have taken place much earlier. ...There are some who refer to the Murayama government as a "shotgun marriage," but for someone like myself who considers matters on the basis of logic, such statements are entirely wrong and if postwar history is reviewed objectively, I feel the Murayama government is a logical one which reflects a return to normality."

Miyazawa defends the incremental "conversion" of SDPJ policies as if he were an SDPJ member in saying that the SDPJ was thrown out of the Hosokawa and Hata coalition governments and joined hands with the LDP as a so-called "emergency measure."

Miyazawa even goes to the extent of highly praising "our SDPJ for taking such courageous and wise decisions" although they may have been somewhat late in comparison to the conversions made by the European socialist-democratic parties. Accordingly, he upholds the LDP-SDPJ coalition Murayama government not as a "shotgun marriage," but a "government which has finally regained normality and logic."

Kiichi Miyazawa Who Acts Like a Commentator

Kiichi Miyazawa has the right to extol the SDPJ "policy conversion" as resulting from "courage and wisdom," but the policy conversion consists of accepting LDP proposals without modification or arguing persistently that machine guns must be limited to one instead of two. It would be very hard to view the SDPJ as having formulated its policies based on its own political ideology.

Moreover, the SDPJ itself thinks in those terms and because it is aware that the public perceives them in such terms, the SDPJ chose to insist to the degree that it did on the "Apology and nonbelligerency resolution" in the Diet (House of Representatives) marking the 50th anniversary to the end of World War II. The SDPJ deemed that resolution as a unique opportunity for stressing its identity as a one-time pacifist political party.

In the end the Diet resolution turned out to be a "resolution to renew our determination to work for peace based on the lessons of history" and did not contain the words, "apology" or "nonbelligerency." And, the resolution was passed under a sorrowful condition not reflecting an absolute majority in favor, but with only 224 or with less than one-half of the House of Representatives members voting in favor of the action. Both the July House of Councillor elections wherein the SDPJ, Sakigake, and LDP shared equally in defeat at the polls and the deliberations concerning the "apology and nonbelligerency resolution" can be summarized as political failures. Notwithstanding, no one in the SDPJ, Sakigake, or LDP has made an attempt to assume political responsibility.

In reference to such irresponsible qualities of the coalition parties, Prime Minister Miyazawa stated more than two years ago:

"Now that we have said we will execute political reform, we will do so. This represents a democratic crisis (and if political reform is not executed, we will see political party distrust and a democratic crisis just like that manifested in the 15 May incident). If the LDP fails to take action, it will be highly vulnerable."

Despite having said so, the LDP was unable to "achieve" that goal and made itself highly vulnerable, with no one assuming responsibility for that situation as was the case in other similar situations.

Basically, even in the case of the "New Proclamation Concerning Preservation of the Constitution" Miyazawa's statements were very much like that of an objective commentator, and there is a complete absence of a conscious objective to exercise power

for a given political objective or to exercise a given political option. Such a stance probably takes into consideration on his part that he has no intention of assuming responsibility for any given political decision.

As an example, when asked by Wakamiya, how do you assess the New Frontier Party and what sort of measures do you intend to take as a result of such assessment, he replied as follows:

Question: "A look at the words and actions of the New Frontier Party indicates it is assuming conservatism which is more extensive than that of the LDP. On the other hand, it appears that the Sakigake embraces ideas which are closer to Miyazawa, but what are your thoughts on this point?"

Miyazawa: "You put me in an embarrassing position. I do not understand the situation that well. The Sakigake either embraces an unchanging political ideology and is working in support of such principles, or is merely making statements that look favorable, and I am not too sure as to which is the case. In terms of personalities, the Sakigake has members who are trustworthy like Shusei Tanaka and those that are not. Unless you allow me more time, I suffer from a dearth of data from which I can engage in an intelligent discussion."

"Even in the case of the New Frontier Party, Hosokawa and Hata were dealing with each other on amicable terms within the same party, and it is difficult to visualize a situation in which their ideologies have undergone sudden change. If they did change, it would be strange. I have a good understanding of Ozawa's ideas and I feel I can debate them."

As far as Miyazawa is concerned, power struggles are not matters with which he is concerned. As can be seen in his statement just quoted, he holds no animosity towards anyone. The fact that he is the political world's most knowledgeable person is recognized by the masses, but he is ultimately not a true politician. It was merely a case in which an individual with superior academic credentials became a bureaucrat and demonstrated exceptional skills in the bureaucratic world (as a diplomat), and came to be considered as possibly having political capabilities based on his diplomatic capabilities. It is not a case where he does not assume responsibility for political decisions, because he is not a politician who has attempted to gain power for the sake of attaining political objectives. Basically, he never had any concept of responsibility.

Accordingly, Miyazawa does not consider as his "enemy" either Morihiro Hosokawa who left the LDP and formed the Japan New Party, Shusei Tanaka who became the theorist for the Sakigake Party, or Tsutomu

Hata or Ichiro Ozawa of the New Frontier Party, not to mention "our" SDPJ. In fact, he thinks he is able to converse with just anyone.

In fact, in relation to Seiroku Kajiyama, former LDP secretary-general, who gave his support to the Miyazawa cabinet, but later aborted the political reform bill and destroyed the cabinet, Miyazawa provides the following friendly critique—yes, a true critique.

Miyazawa: "Kajiyama worked in my behalf in a way that only he could have handled the situation and I hold no grudge against him whatsoever.... Kajiyama is intelligent and amusing.... At that time I felt that he would handle all affairs in my behalf in the area of party affairs as long as I delegated the authority to him. He has the capability to handle such situations. Kajiyama in the end said, 'The job is too big for me,' which was a reflection of the severity of the conflict between Seiroku Kajiyama and Ichiro Ozawa in the former Keiseikai. (Underscoring furnished by this writer.)

As far as Miyazawa is concerned, responsibility for failure of political reform to pass lay with the intensity of the power struggle within the Keiseikai between Seiroku Kajiyama and Ichiro Ozawa. Ozawa's observation sounds more like that from an individual viewing the situation from the outside, rather than as the LDP president who should have suppressed the power struggle.

The likes of Seiroku Kajiyama view the LDP-SDPJ coalition government as part of a power struggle between the New Frontier Party and Ichiro Ozawa, and can hardly view the situation objectively from an outsider's viewpoint. Kajiyama in an article titled, "The Post-Murayama Political Situation Will be Guided by Those with Common Interests," (published in the August edition of "SANSARA") stated:

Question: "When I interviewed Kozo Watanabe of the New Frontier Party, he stated there were irrational elements in the ruling and opposition party split."

Kajiyama: "Yes. But they are individuals who chose to become outsiders. In my case, I did not choose to become an outsider (laugh).... Now that political reform has been completed, they should disband their parties and return to the LDP. They should first quietly return to the LDP."

As far as Kajiyama is concerned, politics represent a power struggle. Accordingly, he will never say as Miyazawa would say, "I can appreciate Ozawa's concepts." However, he thinks he must embrace clear-cut doctrinal and political objectives in order to prevail in

NORTHEAST ASIA

any power struggle. This is no doubt the reason why Kajiyama published his visions under the title of "My Declaration of Actions in Support of Japan's Goals for the 21st Century," (July edition of "BUNGEI SHUNJU.")

The Age of the "Third Opening of Japan"

As far as I am concerned, I do not deem Kajiyama's vision as adequately prescribing the course that Japan should take following the dismantling of the Cold-War structure. However, I do feel that Kajiyama himself is aware of that fact to a degree. I feel so because he has reminisced as follows:

"The nation known as the Soviet Union has collapsed and the so-called Eastern bloc has vanished. Now that the opposing force serving as a basis for stressing the Western bloc has disappeared, we must restructure a variety of aspects such as politics, economics, and culture which were maintained from the position of Japan as part of the U.S. camp and identify a new future national objective. We are now at the stage of a 'Third Opening of Japan,' but regrettably all of the political parties have still failed to depict the new direction that should be taken by Japan. I believe such distrust and impatience with existing political parties have caused an expansion in the nonparty-affiliated social stratum."

Kajiyama has a clear awareness of the fact that Japan now faces a turning point which could be called the "Third Opening of Japan." That awareness recognizes the disintegration of the basic framework where "Japan existed as a member of the U.S. camp" based on the dismantling of the Cold-War structure emanating from the polarization of the United States and the Soviet Union and the necessity for a "Third Opening" of Japan as a response to that change in world history and in international society.

Needless to say, although Kajiyama embraces such awareness, he expresses frank bewilderment by saying, "all of the political parties have still failed to depict the new direction that should be taken by Japan" in this age of the "Third Opening of Japan." As far as I am concerned, I just published my book titled, "The Age of the 'Third Opening of Japan'" (CHUO KORONSHA) in August and I would half-jokingly like to suggest that he read my book. However, I would like to make the minimal statement that Kajiyama's bewilderment is the result of the fact he does not have a complete understanding of the direction being taken by the world. I say this because the answer to "What should we do?" must be based on an awareness of "where we are."

The question, where are we? produces the same answer as the question, what is the direction of the world? A recognition of that direction will lead us to self-reform

accompanying the "Opening of Japan" covering what Japan should do in response to global changes and what it should do to reform itself.

Further, I must make a few remarks concerning the term "Third Opening of Japan" (historical awareness). This term is one that I have been using for three years in response to Masao Maruyama's hypothesis of a "Postwar—Third Opening of Japan" and in my book titled, "Format for Opening Japan" (published by MAINICHI SHIMBUNSHA) and in my book titled, "An Age in which Japanese Depict World History" (published by PHP Research Center), both released last year, I have used the term in connection with the hypothesis that Japan must not only open itself in response to historical changes of a global magnitude, but force itself to accept difficult domestic reforms.

However, the term "Third Opening of Japan" (historical awareness) was used in the "Party Founding Declaration" of the New Frontier Party which was launched at the end of last year, while former Prime Minister Yasuhiro Nakasone repeatedly used the term from the beginning of this year (e.g., in "Accelerate the Third Opening of Japan" in the September edition of "This is YOMIURI.") and it was also used in Kajiyama's vision titled, "My Declaration to Act," causing it to face the risk of acquiring the undesirable characteristics of a common noun. However, the hypothesis is of very important significance in terms of the awareness of the direction being taken by the world after the dismantling of the Cold-War structure. It would be difficult to say that this point is adequately understood. As reflected in the Kajiyama vision, the simple awareness that the basic framework of "Japan as part of the U.S. camp of the past" has collapsed by itself is very slow in leading to a direction which dictates "what should be done."

And, if the direction does not become obvious, Japan is unable to determine how it should conduct itself, and as I wrote in the (8 June morning edition of the) "YOMIURI SHIMBUN," the public develops a "Psychology which Rejects the 'Third Opening of Japan.'" (I used this article as part of the "preface" to the previously mentioned book published by CHUO KORONSHA.) If I were to write a concise summary of this isolationist public psychology, it would be as follows:

"We have a pacifist constitution which 'renounces war' which should be adequate for our needs. There should be no other country in the world that would attack such a pacifist nation. Moreover, Japan has been struck by the volcanic eruption at Unzen, tidal wave destruction of Okujiri, and the Osaka-Kobe earthquake, along with a hollowing and restructuring of domestic

industry associated with the strong yen accompanied by an unstable employment picture. There is no need to continue Official Development Aid (ODA) under such circumstances. Basically, Japanese comprise a race which engaged in 'growing rice' in this insular nation, and there is no need to liberalize trade in rice. Creation of the Hosokawa coalition government led to the passage of the Political Reform Law, but realistically, Japanese wish to change nothing."

Such public isolationist psychology is compounded by an LDP-SDPJ coalition government lacking leadership to make political decisions and engaging itself in isolationist political impulses. Impulses of that nature which cause nations to turn inward can said to correspond to the situation where nations of the world have had a tendency to "turn inward" after the dismantling of the Cold-War structure. "Turning inward" means various nations have ceased to depend on the two giants named the United States and the Soviet Union (Russia) in both military and economic terms and assume a direction where they profess to mobilize their own people to protect their individual nations.

Even Americans who were once proud of asserting their openness to the world have adopted a policy of "America First" and even went so far as to attempt unilateral "sanctions against Japan" during the Japan-U.S. automotive and components negotiations. On the other hand, China has continued the conduct of underground nuclear tests and has embarked on the independent development of aircraft carriers for the professed purpose of protecting its sea lanes. In response, Asian countries such as Taiwan, the Philippines, Vietnam, Malaysia, and Indonesia have begun to increase their defense capabilities for fear of Chinese military expansion reflected in the military occupation of the Nansha Islands. We need not mention the conflict in the former Yugoslavia. Even France has made a decision to resume nuclear experiments. France has prohibited the import of U.S.-made wine and is regulating Hollywood movies as a way to protect its industries and culture.

It is in this manner that Japan must establish an awareness of world history wherein various nations are "turning inward," and contemplate the issue of what Japan should do and what direction it should take in the "Third Opening of Japan."

Restore Political Party Verve

What's wrong with Japan's opting for a direction in which it turns inward when other nations are all "turning inward," is the way some might state a rebuttal.

However, if one were to ask what are those individuals doing in turning inward, we find that they are totally

absorbed in preserving the LDP-SDPJ coalition government and clinging to power. Or, they desperately engage in an effort to compile an apology and non-belligerency resolution. Supposedly, when LDP Policy Research Committee Chairman Koichi Kato was asked, "What is 'aggression'?" and "What is 'colonial control'?", he replied, "There is no reason to clarify those points. All we need to do is compile the resolution."

Such an attitude is the same as the notion that as long as we "abide by" Article 9 of the constitution, no other nation will attack Japan, and party strategy leads to reliance on such thinking. Nowhere do we see the historical self-awareness of "Where Japan stands today." Such attitudes cause the likes of Policy Research Committee Chairman Kato to think of saving SDPJ honor and normalizing relations with North Korea using rice aid as bait, when the coalition party SDPJ proposes normalization of relations between Japan and North Korea.

Secretary Kim Young Soon, North Korea's highest official in charge of relations with Japan who approached Japan with a request for rice aid, falsely said, "Our nation has resolved its problems associated with food, clothing, and housing. The rice (First Stage Rice Aid) is being offered by Japan as a sign of apology and we are merely accepting their offer," and Japan has failed to make the statement a diplomatic issue. The government of Japan has completely closed its eyes to the international situation.

Once during the Greater East Asia War when the "Second Opening of Japan" was about to become an issue, Japan took the contradictory move of seceding from the League of Nations and opted for the course of a psychologically closed nation with the attitude that international law was something that Europeans and Americans arbitrarily devised. (I would like for the reader to refer to my book titled, "White Flag Legend" on this particular point.) Japan transformed itself into an international orphan.

Even beyond such developments, Japanese basically have had a long history of enclosing themselves in an "insular nation," setting up permanent residence under those circumstances to "grow rice," and retaining peace, prosperity, and stability in a village atmosphere. Accordingly, Japanese are prone to becoming accustomed to an isolationist condition. Thus, they have become accustomed to 50 years of postwar peace, affluence, and stability, questioning the need for a "Third Opening of Japan," asserting the preservation of the status quo, and drifting back towards "post-war" conditions. In other words, they are about to retrogress once more to isolationism, under the auspices of the 1955 political system

and pacifist constitution maintained under the Cold-War structure.

Such isolationist tendencies make Japan susceptible to becoming an international orphan. Although global nations are intensifying tendencies towards "facing inward," they are fully aware of the importance of international coordinating agencies and rules. Basically, although nations of the world assert they will protect their own countries and citizens, the current world economy has become increasing borderless and mutually interdependent. Accordingly, various nations have come to acquire mutual connectivity both politically and militarily.

Even when the United States not too long ago tried to invoke "sanctions against Japan," The cabinet-level board of directors of the OECD pointed to the "closed nature of Japanese markets" as a cause of Japan-U.S. friction, but simultaneously passed the judgment that unilateral U.S. "sanctions against Japan" "violated WTO rules which promote free trade." For that reason, U.S. Trade Representative Kantor was angered and boycotted the OECD Cabinet-level board of directors, but was forced to cancel "sanctions against Japan." On the other hand, Japan also withdrew its appeal to the WTO.

As evident from this chain of events, if Japan should preoccupy itself with domestic party strategy or power struggles because the world has "faced inward" and intensify its tendency towards isolationism in disregarding the importance of international conditions, international coordinating agencies, and rules, it will impose upon itself the risk of international isolation similar to the situation 50 years ago. Such a situation will lead to the destruction of Japan.

Such sense of risk pertaining to current history is limited among members of the LDP-SDPJ coalition government who won passage of a Diet resolution with 224 votes or less than one-half of the members of the House of Representatives. And, although they experienced miserable defeat in the House of Councillor elections, the coalition ruling parties combined control a majority of the House of Councillor seats and current politics are governed solely by the intent to cling to power—although Prime Minister Murayama, Foreign Minister Kono, and Finance Minister Masayoshi Takemura hinted at resignation, such statements were based on individual party interests and party situations and in the end, no one made any attempt to assume responsibility. That situation is reflective of the isolationist impulse wherein an attempt is being made to reject domestic reform or the so-called "opening of Japan."

However, fortunately, political party members are emerging from internal forces who support the LDP-

SDPJ coalition government as well as from outside the coalition government who fear that unless the "Third Opening of Japan" takes place and domestic reform to effect such opening takes place, that Japan will be destroyed. That being the case, what is now necessary is not an acceleration of the transfer of capital functions from Tokyo to stimulate the economy to counter the recession, but for parties to regain political verve.

The dismantling of the Cold-War structure has led to the demise of the left wing and the weakening of right wing ideologies. The ideological fragility of conservatives in Japan who had exercised power in Japan by maintaining a balance between the two extremes have now been exposed. The source of energy for creating political verve lies in the elucidation of the ideological basis for political parties; i.e., doctrine and the methods for implementing doctrine. The conservatives are now challenging and attempting to reform such doctrine. It is not a case where the conservatives should join hands with the SDPJ which has forfeited its doctrines and preoccupy themselves with an effort to expand their ranks.

Put in more specific terms, on the occasion of a "Third Opening of Japan," conservative forces should preserve the independence of (Japan) by clarifying "What is the status of Japan?," make themselves aware of "where Japan stands" and determine what sort of domestic reform Japan should undergo.

In connection with such an approach, I can make the following proposals—First, Japan should establish a nation based on "people sovereignty" aiming for international societal coordination in response to the "inward look" of various nations. Second, Japan must recognize that it has an emperor system which represents a local culture peculiar to Japan. Based on that premise, the imperial household should relocate itself from Tokyo which is the center of political power back to Kyoto, where it can avoid political manipulation from internal and external sources (Doing so will eliminate the need to relocate capital functions). Third, we should implement a public election system for the prime minister to enable the public to realize the fact that Japan is a "people sovereignty"-type nation and to make the public aware of its political responsibilities. Fourth, a prime minister elected through public balloting will exercise command over the Self-Defense Forces, but the basis for the command authority should be clarified by adding provisions to Article 9 of the constitution concerning the "authority for self-defense" for the sake of protecting the people sovereignty-type nation.

Further, I would like to discuss ways of correcting distortions created by the opening of Japan during the

postwar "Second Opening of Japan" based on U.S.-style democracy, but I cannot do so because of space restrictions. I will set aside that topic for coverage in a subsequent article.

Kenichi Matsumoto Born in Gunma prefecture in 1946. Graduate of Tokyo University. Debuted as a critic by publishing "Young Kazuaki Kita" as a student at the graduate school of Hosei University. Has engaged in a wide range of critical writings centered around modern ideology and psychological history research in Japan.

Beginning of Environmental Inspection Age Viewed
952A0776A Tokyo SHUKAN TOYO KEIZAI
in Japanese 2 Sep 95 pp 72-75

[Article by Yuichiro Yamagata, journalist: "Environmental Inspection Age"]

[FBIS Translated Text] Since the industrial society emerged in this world, enterprises have long entertained the notion that they are successful only if they can produce and distribute items efficiently and have their commodities purchased by consumers.

However, the responsibilities of enterprises are now becoming not so simple as that. Their range of responsibilities is expanding even up to processes after consumers abandon commodities as refuse. They are also beginning to face the request that they produce commodities without bringing about bad effects on the environment.

For example, in June the Economic Planning Agency published for the first time an estimate of what is called the EDP, an unfamiliar economic indicator.

The EDP is the abbreviation of the "Environmentally-adjusted Domestic Product). The EDP is obtained by subtracting the cost of environmental depletion from the GDP. No matter how large the GDP is, the EDP becomes small if the minus effect on the environment is large in the course of achieving economic growth. Disappearing before our eyes are the "good carefree days" when people were glad that "the economy is good" by merely seeing a growth in the GDP.

In enterprise accounting as well, the time may come when enterprises draw up a sheet of the "environmentally-adjusted final profit"—which is obtained by subtracting the cost of environmental depreciation from the conventional profit—and when such a profit is reflected on the stock price formation. For enterprises, the age is nearing just at hand when not only their accounts are audited, but also their environmental control system in management is inspected.

First Step Is Made

A low-key, but very important international meeting was held in Oslo toward the end of June. It was the Third General Meeting of the Special Committee on Environmental Management under the International Standards Organization [ISO].

The ISO must be a name sounding unfamiliar to many. It is a non-intergovernmental organization and a unique body literally engaged in internationalization of various criteria and standards.

The final plan for the environmental management system standards (ISO 14001) was decided at this ISO meeting participated in by 500 people from 45 countries such as G-7 nations [Group of Seven—United States, Japan, West Germany, France, Britain, Italy and Canada], the ROK, and Brazil. This final plan will formally be approved toward the end of July next year, and the standards will begin functioning as international criteria.

The spirit of the ISO 14000 series originates in the fundamental perception that enterprises are destroying the global environment by simply pursuing their activities. How to control such activities and minimize environmental depreciation is what a critical mind sees as the latent problem lying at the basis of the ISO 14000 series. Furtherance of efforts along this line gives birth to moves toward the "cyclical-type economic system."

Whether an enterprise adopts those environmental management system standards is left to its independent decision. However, when the number of enterprises adopting them increases, these system standards will become international rules for protecting the environment in business activities.

In the future, these rules will serve as mutual export-import requirements among international enterprises, and the rules will work as conditions for public procurement and transactions among enterprises within Japan as well. What is more, they will be enforced almost compulsorily.

The ISO's environmental management system standards (ISO 14001) whose final plan was decided recently are designed to lead enterprises to better solutions to their environmental issues. A due form will be prepared so that each enterprise will objectively check up relations between its business management and the environment in a regular and continuous basis.

The good thing about these system standards is that they have two key conceptions—"improvement" and "inspections by a third party."

As to "improvement," the system standards are so organized that once an enterprise adopts them, it cannot but keep working every year to improve its managerial status regarding the environment.

And as to "inspections by a third party," the system standards require an enterprise to get a third party to make objective checkups as to the way it is tackling the environment. That is, the enterprise has to undergo "environmental inspections" by a certified third institute.

The ISO will continuously study the environmental management standard series (ISO 14000 series) in the future. The environmental labelling will be studied by 1996 and the environmental performance assessment and the life cycle assessment (LCA) by 1998.

When a train of these studying processes are completed, an international and comprehensive package of environmental standards will come into being for the first time for enterprises under the name of the ISO 14000 series. The environmental management system standards represent the first step in this series.

As environmental management and inspection system standards, there already exist the British Standards BS-7750 (effectuated in March 1992) and the EU's EMAS [Enforcement Management and Accountability System] Standards (effectuated in April 1995). From now on, adjustments will be made between these regional standards and the ISO-14000 series.

In Japan, the Ministry of International Trade and Industry is scheduled to improve the Environmental JIS [Japanese Industrial Standards] timed with the effectuation of the ISO-14001 next year. The Environment Agency, too, plans to prepare for the adoption of the ISO-14001 next year and is going to give a preliminary training course. In this connection, an agency official (Tsuneo Takeuchi, chief of the agency's Environmental Protection Promotion Section) makes the following remark: "We will prepare an internal checklist with which to examine planning for environmental activities. It will be distributed to autonomous bodies. We would like to encourage private businessmen including small and medium enterprisers to use the checklist and formulate environmental management plans open to the public. We will begin the work of authorizing environmental counselors next year. We will also nurture competent people to have them work for enterprises' environmental management.

How Much Does It Cost?

There is a company with a somewhat stuffy name—"Japan Environmental Qualification Certifying Organization" [JACO]—near All Nippon Airways Hotel in Akasaka. It is a pretty new company established in

November last year with the investment from 12 organizations in the electric and electronic business sector.

There are already 20-odd such certifying institutes in the making in Japan, and JACO plans to be engaged in environmental inspections in various business domains in addition to the electric and electronic field.

Before the decision on the ISO-14001 plan is made next year, JACO plans to award status as businesses qualifying for Britain's BS-7750 Standards to Japanese enterprises. This is because, when Japanese enterprises qualify for BS-7750 standards, they will almost automatically obtain the certificates of qualification for the ISO-14001 standards sooner or later.

According to JACO's Business Department Deputy Director Yosuke Hata, the obtainment of the ISO qualification will take about three months if case enterprises have carried out environmental management and control on their own as is the case with large enterprises. He also says that a lead time of six to nine months will be required for obtaining the ISO-14001 qualification if case applying enterprises have already obtained the qualification for the ISO-9000, a set of international standards on quality, while a lead time of about one year will be required for enterprises which are going to start environmental management from scratch.

The ISO-14001 qualification is not obtained by a company as a whole, but by each workplace (jobsite) like a plant. The qualification is good for three years. After its obtainment, a simplified inspection is carried out at the end of the first year and of the second year, and a full-scale renewal inspection is conducted toward the end of the third year.

The awarding of the qualification naturally requires handling fees, and they are decided by the size of the plant or the shop (workplace) and the degrees of the current environmental depreciation (burdens imposed on the environment). This is because the number of inspectors will vary according to these factors.

JACO is planning to conduct environmental inspections at 20 sites by March next year. JACO has set its qualification-awarding fee (the initial inspection fee) at around 3 million yen on the average in case: the applying workplace belongs to the electronic and electric machine industry; its employees number 1,000 to 2,000; and its environmental depreciation is of medium-level. (Based on the 3 million-yen initial cost, it is expected that the renewal inspection cost will be set at 2 million yen, and the simplified inspection cost at 1 million for a workplace in the same condition.)

In case a working unit asks a qualification-awarding institute to inspect its environmental management sys-

tem, it will enter necessary items in the application form and have the institute to figure out estimated inspection costs.

JACO's application form carries questions as to the line of business, workplace plotage, the number of workers, whether the applying unit comes under the category of a special plant as defined in environment-related laws and regulations, whether the applying unit has obtained a qualification for the quality control system or not, the actual waste disposal status, and chemical substances being handled.

In order to carry out a fair and impartial environmental inspection, it is necessary to examine the competence of the institutes themselves which, like JACO, award the qualification for environmental management standards. Therefore, an arrangement has been made so as to set up one upper-grade organization in each country charged with authorizing these qualification-awarding institutes. In Japan, the Japan Quality System Examination, Registration, and Authorization Association [JAB], a non-profit corporation, is making preparations for becoming such an organization designed to authorize qualification-awarding institutes. Requirements for qualifying as environmental inspectors are also decided formally at the ISO.

Existing (account) inspection corporations, too, are making active moves with an eye toward an environment inspection age.

For example, Tomatsu, an auditing corporation, has installed a course of training, which includes on-the-spot exercises, for nurturing experts on environmental management and inspections. It is thus working to produce people to be engaged in consulting business and inspections aimed at obtaining the qualification for the ISO-14000 standard series. A person (Hirosi Inanaga, supermarket advisor to Tomatsu, an auditing corporation) says: "Now, companies seek to qualify for the ISO-14000 standards in order to differentiate themselves from others, but from this present stage they will sooner or later shift into a phase where companies will actually suffer discriminations as a minority group unless they acquire the qualification."

Large Enterprises Have a Lot of Leeway

However, it appears that the move to establish the ISO-14000 series has not particularly frightened large multinational enterprises in Japan. This is because they have already carried out sham inspections by an imaginary third party.

NEC [Nippon Electric Company] set up the Environmental Inspection Section as early as in 1973 and has practically been carrying out environmental inspections

of its plants by appointing an environmental inspector within the company. In November 1993, it started a project to prepare for wider use of ISO standards. A leading member (NEC Environmental Management Division Director Koji Yamaguchi) says that "this was because the company judged that they would become very important international standards." In November last year, the company changed its internal inspection manual used until then into one that corresponds to ISO standards.

In the case of Sony, its subsidiary Sony Kohda obtained the qualification for BS-7750 standards from JACO in June. Several other firms within the Sony group are scheduled to obtain the same qualification. Sony plans to switch from the BS-7750 to the ISO-14001 Standards.

Concerning the significance of obtaining the qualification for the ISO-14001, Yasushi Kikuchi in charge of Sony's Social Environmental Division expresses the following view: "The obtainment will be a must for companies carrying high export rates. A move for the environment-conscious 'green procurement' will undoubtedly emerge among public corporations and large enterprises not only in foreign-related, but also domestic sectors."

Honda set up the Environmental Safety Planning Section in 1990 and arranged a unified form for internal environmental inspections last year. "The point is not whether the ISO-14001 system is closing in on us or not. When we tackle this issue on our own initiative, we will eventually get near the system. This is how we feel while handling this issue," says a member of the company (Shuichi Yamasaki, chief social environmental technician in the Environmental Safety Planning Section).

However, such is not the case with medium and small enterprises which have less personnel and capital resources than large enterprises. They are in need of help from dealers with which they place orders for parts or of support from autonomous bodies.

In the future, whether an enterprise can thoroughly implement environmental management will hang on how much environmental information, including negative information, it can disclose to the public.

Disclosure of Information

As to opening environmental information to the public, some companies, like the U.S.'s GM [General Motors] as reported on page 79, have disclosed to the public even negative information unfavorable to them. In contrast, what will be the actual status regarding the Japanese enterprises? Tomatsu, an inspecting corporation, has

made a unique report entitled "Disclosing Environmental Information in Business Reports" (published by the Society for Legal Research on Commercial Affairs, an incorporated body). According to the report, enterprises making appropriate disclosures are still few in Japan, and businesses except particularly large enterprises are in an insufficient condition in this regard.

Sumio Sano, Sony's standing director and chairman of the Earth Environmental Committee, says that "it would be better to keep in mind the need to disclose environmental information in conducting management in the future." The catchphrase "an enterprise gentle to the earth" prevailed at a time, but what does the word "gentle" mean? When the ISO-14000 series comes into being, enterprises will become compelled to show concretely and internationally what degrees of "gentleness" they have attained.

Danger of Secret Aum 'UP Team' Pointed Out

OW2610103795 Tokyo BUNGEI SHUNJU
in Japanese Nov 95 PP 148-155

[Article by Iku Aso: "The Application of the Antisubversive Activities Law Is Obvious: The Dangerous Aum Remnant 'UP Team'"]

[FBIS Translated Text] The Public Security Investigation Agency (PSIA) has at last made an important decision. It has started concrete procedures in preparation for an unprecedented application of the Antisubversive Activities Law to Aum Shinrikyo.

What was the reason for using this final means now? Let me go over the clandestine activities at the Prime Minister's office, the police, and the Justice Ministry in cooperation with the Prosecutor's Office.

An ordinary, featureless intelligence building stands in Tokyo's Shinagawa Ward. No information on tenants is available, even inside the front door of this leased building. It is eerie to see the tense faces of men briskly entering and exiting the building.

An elevator takes you to many large rooms with numbers but no identifying signs. The latest security system allows access to each room only to people with special ID cards. Lights in most rooms are lit until late at night, even on Sundays.

This is the "Comprehensive Analysis Center of Confiscated Aum Data and Material," the existence of which the Tokyo Metropolitan Police Department (MPD) would never disclose. Heavily guarded rooms are divided into the Crime Prevention Special Search Troops, the First Criminal Investigation Section, the Second Criminal Investigation Section, and so on.

Almost every day, loads of materials confiscated at Aum installations are brought in.

The Comprehensive Analysis Center, launched immediately after the start of the official legal search on 22 March, has played an extremely important role in bringing to prosecution Aum-related cases, which are mainly dealt with by the First Investigation Section.

However, the major task this center has to shoulder is yet to come. The MPD has yet to make various supplementary searches and investigations to prepare for court. Materials required for court proceedings are voluminous, because there are more than 100 Aum trials to deal with. The "Comprehensive Analysis Center of Confiscated Aum Data and Material" is an important office in connection with the impending trials.

According to one of the MPD's senior officers, "So far, in its investigation policy the MPD has concentrated its efforts on bringing as many 'sorts' of cases to the prosecution as possible, in order to reveal the ferocious character of the Aum Shinrikyo cult. The list includes homicide and attempted murder by sarin gas, lynching, and murdering a notary public office worker named Ochida; illegal manufacturing of weapons, including automatic rifles; illicit production of stimulants; and murdering lawyer Tsutsumi Sakamoto, his wife, and their son. Various 'sorts' of cases came to light, and continued efforts will be made in the future to bare the details of the incidents involved."

He continued, "The MPD at the same time is charged with the task of coping with the trials. For this purpose, the First Investigation Section established the "Office Coping With Aum," and a second round of investigation into Aum cases is beginning now. Additional investigations on an unprecedentedly large scale and an enormous volume of material to be presented to the court will be necessary to help trials cope with so many defendants. The center will be the brain of the MPD."

There is an additional important role the Comprehensive Analysis Center is expected to play in the future.

In early August, the Tokyo District Public Prosecutors' Office made an important request to the MPD's Criminal Investigation Bureau: "It is requested that your office get depositions on oath as to the final aim and purpose of the organization called Aum in carrying out a series of organized crimes, in addition to bringing each case to prosecution."

This request has two meanings. One is to cope with defendant Shoko Asahara. In the face of his continued denial of the charges, it is required to prove that the cases are organized crimes, with the religious leader in the center, by comprehensively analyzing the

Aum Shinrikyo cult. Comprehensive analytical work on Aum had been conducted by the Security Bureau and the Public Security Bureau, but the necessity arose for the Criminal Investigation Bureau, with the First Investigation Section in the center, to do the same analytical work to cope with the trials. So the Comprehensive Analysis Center of Confiscated Aum Data and Material will play a pivotal role. Another meaning of the request by the Tokyo District Public Prosecutor's Office will be explained later.

Female Followers of the Aum Health and Welfare Ministry

By the way, the Comprehensive Analysis Center is expected to make contributions in pursuing followers on the wanted list, topped by suspect Yasuo Hayashi, who are wanted on suspicion of murder in connection with cases such as the sarin gas attacks on the Tokyo subway system.

On 14 September the National Police Agency (NPA) sent an unprecedented, strictly confidential notice to prefectural police headquarters throughout the country, called "notice signed by four NPA bureau directors general."

A senior police officer at the NPA's Criminal Investigation Bureau said, "It was a notice jointly signed by the four directors general of the Criminal Investigation, Security, Living and Safety, and Traffic Bureaus of the NPA." He added, "It was an extremely important notice, only issued on such highly important occasions as the Tokyo Summit. It requested an all-out and concentrated effort throughout October in thorough pursuit and investigation of suspects still at large." That meant the police would launch a pursuit operation with its full strength. It also aimed to prevent new terrorist actions by followers at large from happening prior to the first public trial of Asahara on 26 October and the Asia Pacific Economic Cooperation meeting scheduled in November."

Indispensable to the pursuit of the followers still at large is to discover their still undisclosed hideouts. Any data found in the material collected in the Comprehensive Analysis Center that might lead to the hideouts is systematically sent to the MPD's First Investigation Section.

So far, however, investigations have been limited to suspects already indicted and those on the nationwide wanted list. What are those cult followers doing now? They reportedly number almost 10,000, including those who renounced the world and left home and those still at home.

National Police officers of the criminal investigation and security and public security bureaus throughout the

nation are making contacts and conducting elaborate interviews through their own channels with the cult followers, both those who left home for religious reasons and those who are at home. A senior officer at the NPA's Criminal Investigation Bureau, who is in a position to review such "interview reports" filed through the nationwide system, said: "It is evident that a multitude of cult followers are still loyal to defendant Asahara and still do not express willingness to leave the cult." He added, "In effect, a considerable number of followers are still in the brainwashed state and act in accordance with the Aum center's instructions."

According to the MPD's First Investigation Section, scores of female followers who belong to Aum's health and welfare ministry are being strictly watched because they are extremely fanatical. These women are still not watching TV or reading newspapers, but believe in the "innocence of the religious body." A senior officer at the MPD's First Investigation Section said, "With reference to the future possibility of danger involving the Aum religious cult, we are concerned about drugs and chemicals Aum possessed, because we know the total quantity of those chemicals purchased but not how much was used and how much is still hidden." He added, "In this connection, members of the health and welfare ministry require the highest degree of surveillance, because the ministry has many graduates of college pharmaceutical departments and specialists in chemistry. Furthermore, testimony had it that female followers at the ministry were treated with the utmost favor by Asahara. That is why they are the most dangerous ones."

The Unknown "UP Team"

There is another group that now attracts a great deal of concern in the First Investigation Section. That is the "UP team," a top-secret Aum organization that has never been reported.

So far I have pointed out that the MPD is exploring the true nature of a crime organization in the name of Aum. It is now becoming apparent from the latest analysis that Aum's structural system of ministries and agencies is only superficial and that it also set up an entirely separate crime organization.

According to a senior officer at the MPD's First Investigation Section, "It is now known, for example, that the group called 'Chittaka [name transliterated] team' was in charge of manufacturing Russian automatic AK77 rifles and that the 'Parlaparia [name as published] team' and 'Sparf [name as published] team' were in charge of plant construction for manufacturing sarin gas at Satian Building No. 7. But the existence of this 'UP team' only

became known from confiscated material, and its true nature is mostly unknown. The team is unmistakably an extremely dangerous entity, because its members include those indicted on charges of murder preparations in the sarin gas attacks on the Tokyo subway system."

The UP team members include those indicted on charges of carrying out the sarin gas attacks on Tokyo subway system: defendants Kazuyoshi Takizawa, 26, who quit before graduation from Nagoya Electric Communication Institute of Technology; Wakashio Togashi, 35, a graduate of the Electronics Department at Yamagata Prefectural Higashine Technical High School; Yukio Sekine, 36, a graduate of the Mechanical Engineering Department at Musashino Institute of Technology; and Yoshihiro Mitsuzuka, 31, who completed a doctoral course in Electronics at Hokkaido University.

The team also includes defendant Atsushi Kimura, 22, a graduate of the Industrial Chemistry Department of the National Hachinohe College of Technology, and others who were indicted on charges of violating the Explosives Control and Penal Regulations. Other members of the team are Hirokazu Akamatsu, 34, a graduate of the Machinery Department, faculty of Science and Engineering, at Keio University; Suguru Inamura, 35, a graduate of the Information Engineering Department at Yokohama National University; Hidekuni Takeichi, 27, who quit before graduation from the Electronic Information Department at Nagoya Institute of Technology; Koichiro Tanida, 39, a graduate of the Electronics Engineering Department at Kanazawa Institute of Technology; Shoji Tanabe, 49, a graduate of the Electronics Engineering Department at Osaka Institute of Technology; and so on.

What makes people anxious is that all members are highly educated in sophisticated scientific fields.

A senior officer at the MPD's First Investigation Section said, "UP matches the initial letters of Takizawa's holy name, indicating that Takizawa is unmistakably the team's head. Because of such membership, we are looking into the team on suspicion that it was conspiring to execute big criminal schemes. There is a possibility that some members have already quit the cult. Because most members of the UP team remain within the cult, the team remains to be the most dangerous entity."

None of the local Aum branches has closed so far, and they are operating with the Headquarters in Tokyo's Aoyama and Kamikuishiki village in Yamanashi Prefecture as their pivots.

Recently, Aum's center is giving instructions and relaying messages to local branches throughout the country via personal computers on the Internet. All messages are

coded and are extremely difficult to decipher. As part of them were reported by the press, dummy organizations were created to scatter and conceal the cult's assets, and instructions to tail police investigators were given out via personal computers.

As a matter of fact, Fumihiro Joyu, chief of the Emergency Measure Headquarters, has been making frequent contacts with the MPD's First Investigation Section's investigators on "Joyu watch." Headquarters chief Joyu tells investigators at all times that he will cooperate with them in helping arrest those on the special wanted list. For the MPD, Joyu was an important, responsible member of the existing religious cult. However, Joyu's role now seems to be over.

According to the senior officer at the MPD's First Investigation Section, "At the beginning of August, local chapters began to receive instructions via personal computer, not from the Aoyama Headquarters controlled by Joyu but from Fujisan Headquarters in Fujinomiya City." He added, "The man who issued the instructions was not Headquarters Chief Joyu, but Naruto Noda, a "seigoshi" in Aum cult rank, who uses his pen name, with a footnote attached to the effect that 'It is an instruction from the present supreme leader.' Joyu desperately made repeated appeals to the MPD that he would make those on the wanted list present themselves, but his proposed deadline was long overdue. This meant that the force that Joyu can no longer control is on the move."

A series of public trials will be held in October, and the Tokyo District Public Prosecutor's Office is now in a nervous state because it is not certain if indicted followers have completely freed themselves from brainwashing. Defendant Tomomasa Nakagawa, charged with murder in the sarin gas attack in Matsumoto City, and another defendant, Yoshihiro Inoue, charged with murder in the gas attacks on the Tokyo subway, have confessed everything so far; but nobody knows whether they may change their attitude at any time.

An MPD senior official said, "We are concerned about the danger that the cult followers who criticized Asahara before investigators in an apparent attempt to influence their trials favorably will retract their statements as soon as they stand at the bar. Another fear is that every move Asahara makes in court will become a confidential message, not only to defendants but to all followers." He added, "Japanese investigators lack education in 'behavioral science,' which scientifically analyzes criminal psychology, including brainwashing. The National Research Institute of Police Science offers the study field of 'psychology'; and recently, at long last, it started to offer 'behavioral science.' It has always

been traditional to give priority to the sixth sense and experience of detectives who have been on duty for long years. There is a proposal to create 'investigators specialized in psychological analysis,' modeled after the FBI; but in the current Aum trials, we have to depend on outside organizations of scholars."

A decision is expected in early November on whether the Aum religious corporation will be dissolved. But it is self-evident that this kind of administrative disposition would free the cult followers from mind control.

Antisubversive Activities Law Comes to the Fore

Is there a possibility that Aum's remaining followers will ever commit another series of terrorist acts?

In early September, nationwide district police directors general met in Tokyo. At that meeting, the supreme head of the National Police Agency instructed police to step up pursuit and investigation of eight suspects on the special wanted list. In that instruction, he warned, "With regard to the first trial of Shoko Asahara scheduled on 26 October, there is ample possibility that those at large may stage 'terrorist acts to recover Asahara.' Please be on strict alert."

This is the first time the supreme police head has made public reference to the possibility of "terrorist acts to recover Asahara."

The first effective means to defuse the Aum danger may be "taking care of the followers." But it will be an enormous job to take care of every one of nearly 10,000 cult followers. This scale of care will make governmental measures inevitable.

In May the Prime Minister's Office used the expression "caring for the followers" and began working out measures to cope with the problem. Now, five months later, hardly any mention of "caring for the followers" can be heard in the Prime Minister's Office.

In an article entitled "Document: Apply the Antisubversive Activities Law to Aum," in the September issue of BUNGEI SHUNJU, I pointed out the government's inability. Since then, hardly anything has been heard about the government's launching any measure.

"Liaison meetings among ministries and agencies concerned" were held twice in May under the sponsorship of the Prime Minister's Office, and they examined in concrete detail only how to care for the followers' children. Thus, the Councillors' Office on Internal Affairs of the Prime Minister's Office instructed the Health and Welfare Ministry and related organizations to take care of more than 60 children who were later admitted to facilities such as children's welfare centers.

When this was made known to the mass media, TV reporters in particular made a pell-mell rush to the Councillors' Office on Internal Affairs and demanded to publicize the names of the children and their whereabouts. The office was driven into a panic. Further, TV station reporters rushed to children's welfare centers and caused trouble by making forceful coverage in the name of freedom of reporting. "We have the right to know, and why do you not make public the names of the children?" they howled.

Sources at the Councillors' Office on Internal Affairs said, "The office thus completely lost the will to act, and its concerns shifted to measures against guns. The Prime Minister's Office since then has obscured the problem of caring for the followers' children."

After this, the Prime Minister's Office concentrated on preparedness for gathering information.

A reporter covering the Prime Minister's Office had this story to tell: "Preparedness for gathering information meant only that the Prime Minister's Office was concerned about how to get Aum-related information fast. It also persisted in summoning officials in charge of related government ministries and agencies when incidents involving Aum broke out."

"Typical was the attempted murder by hydrocyanic acid gas that occurred on 5 May in Tokyo's Shinjuku and Kayabacho subway stations. The following day, Kozo Igarashi, then chief cabinet secretary, summoned administrative officials as soon as he arrived at the office and shouted, 'Why did you not summon senior officials from the relevant ministries and agencies to this office? Can you do nothing if I do not tell you what to do?' So the directors general of the relevant ministries and agencies were immediately summoned and appeared at 9 o'clock in the morning at the Prime Minister's Office. Surprisingly, among them was a director general of the Education Ministry who had nothing to do with the case."

"In short, it was nothing but a performance to make it seem that the Prime Minister's Office was taking the leadership in dealing with cases, including the problem of caring for the Aum followers' children."

No such performance is taking place anymore, since a new man has taken over the post of chief cabinet secretary. It is hard to believe the Prime Minister's Office will come up with any measures in the future to cope with the 10,000 followers.

The center of the legal defense team for Aum victims is the Yokohama Law Office, to which the murdered Attorney Tsutsumi Sakamoto belonged. That office is the only organization that takes responsibility for caring for the followers, but it is physically impossible to take

care of all of the nearly 10,000 people. It will be too late if the matter is dealt with over several years.

Followers who are at large and on wanted lists will be arrested in the near future. But as it stands now, "dangerous buds"—supposedly several thousand—will be left untouched in the future.

In such a situation, the Public Security Investigation Agency [PSIA] has steadily made preparations in case the Antisubversive Activities Law is applied.

Procedures for applying the law are very complicated, and the law itself is specific. Applying the Antisubversive Activities Law is an extraordinary administrative task in comparison to most others that are forcibly done, in that the government has to make known to the subject organizations in advance the evidence that required the action and must even give them chances to explain. The law calls this "procedures for explanation."

The application goes like this: It starts when the Director General of the Public Security Investigation Agency [PSIA] decides to begin procedures to apply the law. Then a public notice of the start of "procedures for explanation" is carried in the official gazette, after which PSIA officials will meet the press.

To make such an official notice, a copy has to be taken beforehand to the Finance Ministry's Printing Bureau; it takes two weeks for the notice to appear in the official gazette.

Upon publication of the public notice, Aum is notified in writing to the same effect. A week later the "procedures for explanation" start, assuming that the notice has reached Aum. The "procedures for explanation" are conducted at a facility close to the PSIA, with three PSIA officials called "officials under the order" and five AUM "witnesses," sitting face to face. On the steering committee is another PSIA official, called a "sponsor, or senior official under the order."

An official under the order points to evidence justifying application of the Antisubversive Activities Law; in response, the Aum side makes explanations or presents material.

Upon completion of the "procedures for explanation," the PSIA Director General at his discretion files a request to the Public Security Commission for restriction of Aum as an organization. The Public Security Commission, after examining what both sides have to say and the evidence presented, "decides" to apply the Antisubversive Activities Law, if he judges the PSIA request justifiable. That decision is made public through the official gazette; and as of that date, the Antisubversive Activities Law goes into effect.

Absolutely nobody was allowed to talk about PSIA activities until the situation got to this stage.

In fact, the PSIA worked all night continuously, with July as the target month for "procedures for explanation." However, the top official of the Supreme Public Prosecutor's Office presented a cautious opinion that "the Aum organization should be studied comprehensively, with all available evidence and affidavits on hand, because major cases in which Aum was allegedly involved were still being investigated."

Finally the PSIA head met with officials of the Justice Ministry and Prosecutor's Office at the end of July and moved toward a final decision when the Matsumoto City case came to trial.

On 1 August the PSIA director general who had actively called for investigations to apply the Antisubversive Activities Law was replaced in a routine personnel change. The newly appointed director general said in his inaugural greetings that he would "succeed the policy of the former director general."

On 7 August, suspects were indicted in connection with the Matsumoto City attacks. From this date on, consultations among the PSIA, the Justice Ministry, and the Prosecutor's Office have been earnest. The public prosecutor's records of statements were examined to see if they could meet the conditions for applying the Antisubversive Activities Law.

The Prosecutor's Office moved at the same time, requesting that the MPD "make investigations elucidating Aum's ultimate objectives," because high-quality written statements, superior to those in ordinary criminal cases, are required by the Antisubversive Activities Law to include such factors as political objectives, if any, and details of the conspiracy to commit subversive acts, to justify applying the law. The aforementioned request made by the Tokyo District Public Prosecutors Office to the MPD was aimed at such documentation.

The conclusion was reached in the middle of August. Public prosecutors' records of statements made before them were given to the PSIA, which immediately began working to clear 14 hurdles in the way of proof. This operation was an inter-agency task to the last and would never be made public.

The most important and time-consuming work was compiling materials for the "procedures for explanation," based on public prosecutors' records. The first and second section chiefs of the first investigation department, headed by the inquiry section chief, did the work.

Meanwhile, nationwide hearings on nearly 10,000 followers were held over a period of more than four

months; and at the end of August, the list of followers was confirmed with voluminous, nationwide "investigation papers" prepared by PSIA investigators.

The investigators frequently encountered followers' families who tearfully made appeals like this: "My son has not come back from Kamikushiki village. Only the Antisubversive Activities Law will make my son come back. We hope for the earliest possible application of the law." Letters to the same effect came in large numbers.

In addition, PSIA investigators are writing "investigation papers" by meeting survivors of the Tokyo subway sarin gas attacks and bereaved families of victims. A senior PSIA official said of the interviews, "Most survivors of the poison gas attack want the the Antisubversive Activities Law to be applied. It is no exaggeration to say that the PSIA took action because of such voices."

In the large conference room on the PSIA's seventh floor, about 60 investigators of the Special Investigation Headquarters have been immersed for the past several months in sorting out "investigation papers" that can be used for the "procedures for explanation." The investigation headquarters also screened all Aum publications and made clippings to use as evidence of Aum's political objectives in the "procedures for explanation."

At the end of September, a "Control Headquarters" was established to take charge of preparing a place for the procedures and maintaining security. Checks and preparations were carried out in strict secrecy.

Supreme Public Prosecutor's Office Made Final Approval

What troubled the PSIA was working out a schedule for deciding to apply the Antisubversive Activities Law within the year.

According to a senior PSIA official, it takes at least 32 days and actually almost two months from the date of the public notice in the official gazette to reach the "decision." Counting backward, the public notice in the official gazette was secretly decided by 15 October. Considering the two weeks required for printing, the Special Investigation Headquarters urged the Control Headquarters to expedite compilation of "materials for explanation" and complete it by 27 September.

The operation did not proceed as expected, even in the middle of September.

The records of statements given before public prosecutors to be shown to the Aum side as material for the "procedures for explanation" cannot be presented, as they relate to criminal trials. It took quite a time to mask the records to conceal the names of defendants,

for the sole purpose of justifying application of the Antisubversive Activities Law.

When it became known that the public prosecutors' records were not enough to prove Aum's political nature, new materials were needed that required much rewriting to emphasize the political content of the PSIA's independently prepared investigation. It was then already past the middle of September. As the deadline approached, one of the senior PSIA officials exploded in frustration to his colleagues, "What is the cause of this delay?"

In late September, top officials of the Supreme Public Prosecutor's Office and the Justice Ministry approved the PSIA draft of the public notice signaling the start of "procedures for explanation" to be published in the official gazette. At this juncture, the decision to bring the draft to the Finance Ministry's Printing Bureau was in the hands of the PSIA director general.

However, on 25 September, Chief Cabinet Secretary Koken Nosaka objected that "the Prime Minister's Office was not informed beforehand," and on the following day he summoned the PSIA's deputy director general to the Prime Minister's Office to explain. It was nothing but a performance, but it is true that the PSIA had failed to make the necessary prearrangements.

Now, for the first time since enactment of the Antisubversive Activities Law, an organization is going to be subject to restriction. Because it will be nearly two months before the final decision, various opinions will arise, and many people will start to think about the Antisubversive Activities Law.

Debates are quite welcome, but the PSIA and the Public Security Commission must maintain impartiality and consider the evidence without wavering before public opinion. Otherwise, the fanatical group will again sink its fangs into the nation.

Ministry Approves Guideline for Biotech Crops

OW2010102395 Tokyo KYODO in English
0940 GMT 20 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 20 KYODO — A Health and Welfare Ministry panel on Friday [20 October] endorsed a draft guideline for conducting safety checks on vegetables and fruits grown from genetically recombinant seeds, paving the way for such crops to appear in the Japanese market.

The ministry's special panel on biotechnology adopted the guideline, consisting of 70 check items on the safety of genetically engineered farm products, ministry officials said.

The ministry will report the guideline to the world trade organization, and after listening to reactions from member states, it hopes to give final approval to the guideline by the end of the current fiscal year which ends next March 31, the officials said.

If procedures go smoothly, the genetically manipulated crops may appear on the market next fall, they said.

By using biotechnology, Japanese agricultural experts hope to develop rice resistant to weed-killer chemicals, and nutritious corn containing all the essential amino acids.

In the United States, genetically recombinant tomatoes, which spoil slower than natural ones, are already being sold.

The guideline adopted by the Health and Welfare Ministry panel basically follows the ones used in the U.S. and in Europe, the officials said.

However, Keisuke Amagasa, lecturer on industrial technology at Gifu College of Economics, criticized the U.S. guideline for not being strict enough in checking the safety of genetically altered crops.

He also said such crops should be labeled as genetically engineered products, to give consumers a choice.

Such labeling is not included in the Japanese guideline.

North Korea

U.S. 'Policy of Strength' Denounced

*SK2610121795 Pyongyang Korean Central Broadcasting Network in Korean
0850 GMT 26 Oct 95*

[Dialogue between reporters Chong Song-kang and Yi In-chun: "The Policy of Strength Is Not Almighty"]

[FBIS Translated Text] [Chong] How are you? The U.S. imperialists are not only offering a larger amount of modern military equipment to the South Korean puppets but are also frantically staging war exercises aimed at northward aggression. Thus, they are running amok to stifle us by means of strength.

We would like to discuss this at this hour.

[Yi] It is a fact widely known to the world that the invariable ambition of the U.S. imperialists is to dominate the world with strength, and the Korean peninsula is the first target for realizing their ambition. The U.S. imperialists are scheming to invade Korea with armed forces and trying to realize their ambition to dominate the world with Korea as a stepping-stone.

Prompted by this, the U.S. imperialists brought their military equipment into South Korea on a large scale.

They have recently formed an organization to turn over numerous military equipment, including anti-tank missiles, to the Kim Jong-sam puppets in South Korea in close cooperation with U.S. military industrial firms. This is part of such maneuvers by the U.S. imperialists.

[Chong] Even very recently, the U.S. imperialists brought numerous ultramodern war equipment, including F-16 fighter-bombers and Patriot missiles, into South Korea, and deployed them there. Almost all kinds of modern weapons and war equipment, which the U.S. imperialists researched, developed and produced by pouring enormous amounts of funds with the purpose of grasping the superiority in strength, have been deployed in South Korea today.

Because of ceaseless arms buildup maneuvers by the United States in South Korea, South Korea has been reduced into a most dangerous powder keg and a nuclear weapon storage house in the world.

[Yi] You are right. The U.S. imperialists maneuvered to bring a larger amount of new military equipment into South Korea. Besides, they staged war exercises each day to invade us by mobilizing enormous armed forces.

Even at this moment, the Foal Eagle 95 joint military exercise, which reminds one of a real war, is being frantically staged throughout South Korea. Participating in this exercise are the U.S. troops in South Korea; most of the puppet army, and enormous U.S. Forces from the U.S. mainland and the Pacific area. In addition, a large number of war equipment, including war ships of the U.S. 7th Fleet, has been mobilized in this exercise.

This exercise is a replica of the Team Spirit joint military exercise, which is an extremely adventurous nuclear war exercise aimed at invading our Republic and at provoking a new global war.

[Chong] That is right. Such war maneuvers by the United States against our Republic are further aggravating relations between the DPRK and the United States and imposing a great threat to peace and security in the world.

We and the United States are the two belligerent parties [kyojon ssangbang] who are temporarily in the state of armistice according to the Armistice Agreement. However, because of premeditated and irresponsible acts by the United States, this Armistice Agreement has been nothing but in the name and the armistice supervisory organization — the execution body of the agreement — also remained only in name.

This situation will prompt a military clash break out on the Korean peninsula even by an accidental factor.

[Yi] The undisguised military maneuvers of aggression by the United States against us will result in a grave consequence of bringing about a new war on the Korean peninsula. When this situation takes place, the flames of the war will easily expand into a broader area.

Our people absolutely will not remain an onlooker to our sovereignty being infringed upon by other people and to peace and security of the world being threatened.

[Chong] You are right. Our people love peace more than anyone else. However, we will never beg for it.

[Yi] The U.S. imperialists will gain nothing from provoking a new war on the Korean peninsula. The U.S. imperialists should precisely realize that the policy of strength is not almighty today when the Cold War has ended. By discarding their erroneous policy toward Korea, the U.S. imperialists should conclude a peace agreement with us and should make a courageous decision to put an end to the belligerent relations. This is necessary even for the sake of the United States itself.

Talk Denounces U.S., ROK Military Exercises

SK2610123095 Pyongyang Korean Central Broadcasting Network in Korean
0853 GMT 24 Oct 95

[Unattributed talk: "A Dangerous War Exercise Aimed at Lighting the Fuse of a War To Invade the North"]

[FBIS Translated Text] Currently, the U.S. imperialists and the South Korean puppets are crazily holding the large-scale joint military exercise dubbed Foal Eagle-95. Because of this, an extremely strained situation has been created on the Korean peninsula today, and the fiery cloud of aggression is being pushed toward the North.

In this joint military exercise being held in two stages for over one month from 13 October to 17 November, some 30,000 soldiers from the U.S. mainland and U.S. soldiers stationed in South Korea, as well as most of the South Korean puppet army, have been mobilized, and an enormous force of arms and up-to-date war equipment including nuclear powered submarines, naval destroyers, and landing ships and craft affiliated with the U.S. Army's Seventh Fleet are being committed.

Under the pretext of defense, the U.S. Army and the Kim Yong-sam puppets are holding the Foal Eagle-95 joint military exercise which is being held in the broad region of South Korea. The force of arms and equipment mobilized here and its content and form are a thorough offensive-type exercise and a provocative war exercise to invade the North which is the same as the Team Spirit nuclear war exercise.

The aggressive character cannot be concealed even though the signboard is changed, and cannot turn the world's attention elsewhere. Behind the curtain of peace and dialogue, the U.S. imperialists are trying to realize the policy of strength, and is accelerating its preparation. As a result of this, the U.S. imperialists brought in force of arms into South Korea from the mainland and is unprecedentedly holding the Foal Eagle-95 joint military exercise over a long period of time from an enormous scale which cannot be even compared with the ones held before.

These days, the U.S. imperialists are strengthening military collusion with the Japanese reactionaries and South Korean puppets than ever before and are discussing the issue of intervention in the Korean war. This is aimed at crushing us militarily by the U.S. imperialists. To achieve this, the United States is currently even infringing upon the DPRK-U.S. agreed framework.

It is stipulated in the DPRK-U.S. agreed framework that the United States will not use nuclear weapons and that it will not threaten us with nuclear weapons. Nevertheless, the U.S. imperialists are trying to threaten us militarily and with nuclear weapons. As the whole world knows, currently, the DPRK-U.S. agreed framework is in its implementation stage. Right at this time, the U.S. imperialists are staging the large-scale war exercise to invade the North opposing our Republic. How can we overlook this grave situation?

Currently, all the Korean people desperately want peace and peaceful reunification, not confrontation and war, and are vigorously struggling to put an end to the history of division which spans over half a century and achieve the country's reunification through the strength of great national unity. Nevertheless, the U.S. imperialists and the South Korean puppets are continuing to challenge our people's desire for reunification with confrontation and war maneuver, thus, preventing the road for a peaceful reunification.

As the whole world knows, the Kim Jong-sam puppets who are the culprit of executing the U.S. imperialists war policy, are openly calling for the preposterous ambition of reunification through absorption; are endlessly holding war exercises harming the fellow countrymen; and are committing military provocation everyday along the Military Demarcation Line.

As was reported, in parallel with the aggressive Foal Eagle-95 joint military exercise, the Kim Jong-sam puppets are holding the Hwarang war exercise from 23 October to 1 December aimed at increasing the operational capacity in war time and peace time and establishing a coordinated war posture of civilian-government forces in all areas. That is not all. Under the

excuse of taking preparations for someone's infiltration throughout the whole area of Seoul, the South Korean puppets are holding another provocative war exercise dubbed the 95-anti-infiltration general exercise.

The Kim Yong-sam puppets who are staging the war exercise to invade the North with the whole area of South Korea as the arena by conspiring with the U.S. imperialists, are once again raising a commotion of a new war exercise throughout the whole area of Seoul. By doing so, they are crushing the South Korean people's reunification atmosphere; are mitigating the struggle demanding for the punishment of the Kwangju killers; and are scheming to maintain the remainder of their doomed life which is faced with a danger.

By crazily staging the military exercises such as the aggressive Foal Eagle-95, Hwarang, and the 95-anti-infiltration general exercise, the South Korean puppets openly revealed that dialogue, improvement of South-North relations, and so on, which they were reciting like a prayer to Buddha, were all lies.

Currently, through the method of straining the situation and all the more instilling North-South confrontation by clinging to war maneuvers, the South Korean puppets are raving to free themselves from danger, but this will only bring about self-destruction in advance.

Aggravating North-South relations by holding the aggressive war exercise, and the antipeace and antidialogue acts that support the South Korean puppets with arms, can by no means bring about good results to the United States. If the U.S. imperialists truly want peace and peaceful reunification on the Korean peninsula, they must sincerely implement the DPRK-U.S. agreed framework and respond to our proposal on establishing a new peace guarantee system as soon as possible.

Our people will by no means remain an idle spectator in the war exercise maneuvers by the U.S. imperialists and the South Korean puppets. There is a limit to patience. If the U.S. imperialists and the South Korean puppets light the fuse of war to invade the North by miscalculating our perseverance, along with the officers and men of the heroic Korean People's Army, our people will mercilessly sweep away the rascals without fail. This is by no means empty talk.

Kim Yong-sam Meeting With Britain's Major Noted

**SK2610051495 Pyongyang KCNA in English
0437 GMT 26 Oct 95**

[**"Base 'Solicitation Diplomacy' of Flunkeyist Traitor"—KCNA headline**]

[**FBIS Transcribed Text**] Pyongyang, October 26 (KCNA) — Kim Yong-sam met British Prime Minister Major in New York on October 23 and asked him to "support cooperation in the nuclear issue of the North," clamoring for its necessity, according to a report.

Kim Yong-sam's clamour for the outworn "international cooperation system" is a foolish attempt to do harm to the fellow countrymen with the help of outside forces and put the brake on the implementation of the DPRK-U.S. framework agreement. Though Kim begs anyone whom he meets for "support," resorting to "solicitation diplomacy," the "international cooperation system" is not formed and the implementation of the DPRK-U.S. framework agreement not stopped.

The South Korean puppets as well as Britain and any other third party have neither condition nor justification to interfere in the nuclear issue of the Korean peninsula and, moreover, anyone cannot exert "influence."

Kim Yong-sam's efforts to put his nose into the question between the DPRK and the United States with the help and "support" of outside forces is an imprudent behaviour of those who do not mind their p's and q's.

No Tae-u's 'Fund' Scandal in ROK Discussed

**SK2610052495 Pyongyang KCNA in English
0454 GMT 26 Oct 95**

[**"Traitor No Tae-u's Corruption and Irregularities Under Fire"—KCNA headline**]

[**FBIS Transcribed Text**] Pyongyang, October 26 (KCNA) — The Kim Yong-sam group is trying to bury in oblivion the fact that the traitor No Tae-u, a former "president" of South Korea, had 400 billion won of money on deposit in secrecy during his term of office, papers here today say.

NODONG SINMUN in a signed commentary says that the traitor Kim Yong-sam had grown up under the care of the "Sixth Republic," seized power with the secret political fund from it and colluded with No Tae-u in corruption and irregularities. He as well as the traitor No Tae-u, therefore, should face a stern judgement by people, it stresses.

The analyst further says:

The traitor Kim got a huge amount of money from the puppet No Tae-u at the time of the merger of three parties. The traitor Kim Yong-sam squandered an amount of money reaching astronomical figures in the 1992 "presidential elections," most of which reportedly came from the secret political money of the traitor No Tae-u.

Kim Yong-sam, No Tae-u and Chon Tu-hwan and their clans should fully repay what they got from the corruption and irregularities. And they should be punished for their murder.

The Kim Yong-sam group should know well the willingness of the people to punish them and the military fascists of the "Fifth and Sixth Republics" for their brutal killings and corruption and irregularities. They would be well advised to take the road to the Paekdam Temple together with the Chon Tu-hwan and No Tae-u groups.

MINJU CHOSON in a by-lined commentary notes:

The traitor No Tae-u, who hosted what they call a "feast" and drank a glass on the sea of blood in Kwangju, is one of beasts, an arch murderer and a chieftain of corruption and irregularities, who had maintained a fascist rule with a huge amount of political money.

The commentary calls for the punishment of the traitor No, adding that the South Korean people will bring the traitors Kim and No to trial of history and punish them.

ROK Denounced for 'Suppressing' Forces

SK2210102195 Pyongyang KCNA in English
1008 GMT 22 Oct 95

[FBIS Transcribed Text] Pyongyang, October 22 (KCNA) — Chang Chae-chol, chairman of the Central Committee of the Korean Roman Catholics Association, and Pak Tae-ho, chairman of the Central Committee of the Korean Buddhist Federation, made public statements on October 21 denouncing the Kim Yong-sam group for brutally suppressing the South Korean people and pro-reunification patriotic forces who are calling for the punishment of murderers of Kwangju citizens.

Chang Chae-chol said in his statement that the South Korean fascist clique which clamour about "civilian politics" are hurling armed police into cathedrals and temples for the suppression of the people and are arresting and persecuting patriotic-minded figures aspiring after reunification.

This crime of the traitor Kim Yong-sam is arousing curses and indignation of all the Korean people, he added.

He urged the South Korean authorities to meet the demand of the people for the punishment of the murderers, scrap the "National Security Law", dissolve the "Agency for National Security Planning" and release all the imprisoned reunification champions at once.

Pak Tae-ho said in his statement that the repressive campaign launched by the traitor Kim Yong-sam is an unpardonable anti-national crime which further aggravates the North-South relations and openly opposes peace of the country and its peaceful reunification.

The South Korean authorities should look square at the trend of the times, stop suppressing students and people at once, abolish the "National Security Law" and unconditionally release the imprisoned pro-reunification patriotic figures and all the political prisoners, he stressed.

Paper Criticizes Kim Yong-sam Address

SK2510053495 Pyongyang KCNA in English
0504 GMT 25 Oct 95

["Repressive Order of Fascist Tyrant" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, October 25 (KCNA) — The traitor Kim Yong-sam of South Korea, in his "address" read by the "prime minister" at a "ceremony marking the day of police" on October 21, prettified and fostered the police manhunting, says NODONG SINMUN today.

In a commentary the paper says he issued a repressive order to "strictly apply the law in a fair way" and "severely deal with illegality and violence," revealing his true color as a truculent fascist tyrant.

The paper further says:

"Laws" in effect in South Korea are fascist ones backing the colonial fascist rule and the anti-reunification policies of confrontation.

Kim Yong-sam's order to "severely deal with illegality and violence" is just a repressive order to harshly suppress anyone against his flunkeyism, treacheries and fascist rule, charging them with being "seditious elements" and "pro-communist elements profiting the enemy."

Kim Yong-sam also cried for further reinforcement of personnel and equipment of the police.

Now he has taken off even the deceptive "civilian" veil and resorted to the fascist rule openly.

But this is a foolish and reckless act. History has never known a fascist dictator who lived long, staking his fate on the suppression of the people.

Movement for Supporting Korea Reunification Meets

**SK2410223795 Pyongyang KCNA in English
1510 GMT 24 Oct 95**

[FBIS Transcribed Text] Tokyo, October 22 (KNS-KCNA) — The 14th national meeting of the movement for supporting Korea's reunification was held in Niigata on October 14 and 15 under the sponsorship of the Japan Committee for Supporting the Independent and Peaceful Reunification of Korea and the Niigata Prefectural Executive Committee of the national meeting.

Speaking at the meeting, Akira Iwai, chairman of the Japan Committee for Supporting the Independent and Peaceful Reunification of Korea, summed up the movement over the past one year, and resolved to conduct the campaign for normalisation of Japan-DPRK diplomatic relations in combination with the movement for Korea's reunification in response to the Korean people's struggle to achieve the reunification of the country.

The meeting was also addressed by Koji Miyashita, chairman of the Niigata Prefectural Executive Committee, O Hyong-chin, vice-chairman of the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon), Zujiro Takeuchi, vice-chairman of the Niigata prefectural headquarters of the Japan Social Democratic Party, and others.

Hiroshi Wakabayashi, secretary general of the Japan Committee for Supporting the Independent and Peaceful Reunification of Korea, said in his keynote report that Japan, taking advantage of the U.S. policy of colonizing South Korea, has taken part in the division of Korea. This was a criminal act against the Korean people who regard the division as a national tragedy and the reunification as a national desire, he noted, adding:

It is the duty of Japan to deeply reflect on it, make an apology for it, establish diplomatic relations with the DPRK at an early date, normalize the relations with it and contribute to the reunification of Korea and peace in Asia.

We want the independent and peaceful reunification of Korea, positively support the three principles of national reunification, the proposal for founding the Democratic Confederal Republic of Koryo and "10-Point Programme of the Great Unity of the Whole Nation for the Reunification of the Country" and will further strengthen the movement for solidarity with the Korean people.

The meeting adopted a letter of request to Tomiichi Murayama, prime minister of Japan, urging early establishment of Japan-DPRK diplomatic relations, a letter to the

Korean people, an appeal and an emergency resolution demanding immediate release of Mrs. Pak Yong-kil.

Japanese Doctrine Called Pretext for Aggression

**SK2510133495 Pyongyang KCNA in English
1019 GMT 25 Oct 95**

[["Theory of Coping With Diverse Dangers" for Overseas Aggression" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, October 25 (KCNA) — The "theory of coping with diverse dangers" recently conceived by the Japanese conservatives and the military is an aggressive doctrine aimed at putting the world under their control today when superpowers failed in their policy of strength and military rivals disappeared, NODONG SINMUN says in a signed article Wednesday.

The article says while crying for "coping with diverse dangers," the Japanese reactionaries are openly disclosing their ulterior intention for interference in and aggression of any regions and countries in Asia and the rest of the world.

In the bygone days Japan was engaged in aggression under the signboard of "peace in the Orient" and the "Greater East Asia Co-Prosperity Sphere". The country is now trying to embark upon the road of overseas aggression, calling out for "coping with diverse dangers", the article says, and continues:

Disputes in some areas of the world will not spread to Japan at all.

The end of the cold war and the collapse of the Soviet Union put an end to the possible "threat" from the Soviet Union and "possible attack" by it, which Japan was concerned about in the past.

Japan does not need to make itself responsible for world security.

The Japanese reactionaries are crying for coping with diverse dangers, basing themselves on a far-fetched argument that disputes and crises in some regions of the world may pose threat to Japan's security and interests. Their utterances are meant to invent a lawful pretext for their aggressive military operations abroad.

Japan's military policy is mainly oriented to gratifying its wild ambition for overseas aggression on the plea of "coping with diverse dangers".

The Japanese reactionary ruling quarters attach importance to the reinforcement of the Armed Forces for operations in the sky and on the sea and the introduction of medium- and long-distance equipment of new type as

part of their efforts to increase the "self-defence forces" [SDF].

They blazed the trail of the dispatch of "SDF" overseas for the first time after the war. They have made "rules of warfare" which runs counter to the present Constitution that put ban on the rights to warfare and applied them to the "SDF".

The introduction of the "rules of warfare" proves that the Japanese reactionaries have withdrawn a legal measure concerning the ban on war, which has hitherto been described as a "symbol of peace", and made the use of Armed Forces outside Japan fait accompli.

It is not accidental that today the Japanese reactionaries are openly seeking the exercise of collective self-defensive right and independent military actions and staging military manoeuvres of "SDF" in some regions of the world under the pretext of "coping with diverse dangers".

The article further says:

Today the world people are taking a serious note, with vigilance, of the call of the Japanese reactionaries for "coping with diverse dangers."

The Japanese reactionaries' wild ambition for hegemony in Asia and the rest of the world is a daydream.

They should judge the situation with reason and give up their pipe-dream.

Anniversary of CPV Entry Into War Observed

SK2610133995 Pyongyang Korean Central Broadcasting Network in Korean
0400 GMT 25 Oct 95

[NODONG SINMUN 25 Oct editorial: "DPRK-PRC Friendship Will Be Immortal"]

[FBIS Translated Text] Numerous significant days are recorded in the history of friendship, solidarity, and common struggle between the peoples of the DPRK and China. Among them is 25 October 1950.

On this day, 45 years ago, the Chinese People's Volunteers [CPV] entered the Korean war. With this, another significant event was recorded in the history of common struggle of the people of the DPRK and China.

Greeting this day the Korean people and officers and men of the People's Army recall again with great dignity the fact that the peoples and armies of the two countries of the DPRK and China fought together against the common enemy, shedding blood, and supported and cooperated each other in the struggle for building a new society and for socialist construction. At the same time, they extend warm, militant greetings to the Chinese

people and officers and men of the Chinese People's Liberation Army.

The CPV's entry into the Korean war was a clear demonstration of the internationalist ties between the peoples of the two countries of the DPRK and China in the cause of defending peace and security of the world and peace and security in Northeast Asia, in particular.

When our people were waging a difficult fight against the armed invasion triggered by the imperialists' combined forces to obliterate our young Republic and to dominate Asia, the fraternal Chinese people sincerely assisted the Korean people.

The officers and men of the CPV, the outstanding sons and daughters of the Chinese people who were educated by the Communist Party of China, participated in the Korean war with bayonets of justice and performed immortal exploits which will be brilliantly recorded in history forever.

They defended with blood each mountain, each river, and each inch of land in Korea with deep attachment as if it was their own land. The matchless courage and heroism that they displayed in battles were an exceptionally revolutionary disposition that only an army of people, an army of justice, can possesses.

On the fierce and gruesome days of war our people, officers and men of the People's Army, and officers and men of the CPV were on the close and intimate terms with each other like members of a household and helped each other in all sincerity.

Eventually, the fatherland liberation war ended with our people's great victory. The immortal exploits that officers and men of the CPV performed in the Korean war are shining in the history of common struggle of the DPRK and China and remain in our people's memory forever.

The CPV's entry into the Korean war was an outstanding model of internationalism and greatly contributed to the historic victory of our people's great fatherland liberation war and to strengthening and developing DPRK-PRC friendship.

The great leader [yongdoja] Comrade Kim Chong-il has indicated: The traditional DPRK-PRC friendship, which has been forged in blood and has surmounted all sorts of trials in history, is continuously developing even in today's complicated situation.

The history of DPRK-PRC friendship up to today since the CPV entered into the Korean war shows that a friendship, which is forged in blood and which has surmounted all sorts of trials in history, strengthens and

develops with each passing day and cannot be broken by anything.

The Chinese people and the CPV assisted our people's postwar socialist construction both materially and mentally. The Chinese party, government, and people actively support our people's cause of justice for the complete victory of socialism in the northern half of the Republic and for the independent and peaceful reunification of the country.

The DPRK-PRC friendship was able to be so outstandingly strengthened and developed because it has a reliable foundation and a deep source.

Comrade Kim Il-song, the great leader of our people; Comrade Mao Zedong, the great leader of the Chinese people; and old leaders of China, including respected Comrade Zhou Enlai, provided the DPRK-PRC friendship together and brought its flower garden into full bloom.

The leaders of the two countries frequently visited each other and deepened fraternal friendship and militant fraternity with each other. Thus, they provided a foundation and a source on which DPRK- PRC friendship could be strengthened and developed generation after generation. Because of the foundation and source, the DPRK-PRC friendship has been able to be firmly developed as we see it today.

On 6 October, on the occasion of the 50th anniversary of the founding of the Workers Party of Korea, Comrade Jiang Zemin visited our embassy in China. There, he participated in a banquet and made a significant speech. This is proof of the invariable solidness of DPRK-PRC friendship.

This traditional DPRK-PRC friendship is continuously developing in conformity with the desire of the peoples of the two countries of the DPRK and China even amid today's complicated situation.

The DPRK-PRC friendship has greatly contributed to the socialist revolution and construction in the two countries.

Through their struggle of self-reliance and fortitude, the Chinese people have made socialism take roots in the wide continent of China.

Today, the fraternal Chinese people, under the leadership of the CPC with Comrade Jiang Zemin as the core, have achieved stability and unity and built socialism with Chinese characteristics, and are struggling for the achievement of reunification of the whole country.

Amid the vigorous struggle to implement the decision made at the 14th CPC Congress, modernization is being

accelerated and the might of the whole country is being strengthened.

The independent, sovereign, peace-loving foreign policy of the PRC has contributed to defending peace and security of Asia and the world.

The Korean people rejoice over the success the fraternal Chinese people have achieved in socialist modernization construction as over their own success and sincerely hope everything goes well in China.

We also extend firm support for and solidarity with the struggle of the Chinese party, government, and people for reunifying the whole country.

The DPRK and China are neighbors linked by mountains and rivers, and the peoples of the two countries have common goals and aspirations.

Strengthening and developing the DPRK-PRC friendship generation after generation is a consistent position and a firm will of our party and the government of the Republic.

Today, party and state leaders of the two countries pay special attention to strengthening and developing the DPRK-PRC friendship.

Upholding the great leader Comrade Kim Il-song's behest with regard to constantly strengthening and developing the traditional DPRK-PRC friendship which has a long historic root, our people will solidify and develop the DPRK-PRC friendship generation after generation.

The heroic achievements and internationalist spirit that the Chinese people and officers and men of the CPV displayed will be engraved in the history of DPRK-PRC friendship forever.

The DPRK-PRC friendship will be immortal.

Wreaths Laid at Friendship Tower

*SK2510233195 Pyongyang KCNA in English
1515 GMT 25 Oct 95*

[FBIS Transcribed Text] Pyongyang, October 25 (KCNA) — Wreaths from the Central Committee of the Workers' Party of Korea [WPK], the Central People's Committee and the Administration Council [AC] of the Democratic People's Republic of Korea, commissions and ministries of the AC, national state organs, working people's organisations, friendship organisations and party and power bodies and administrative and economic organs in Pyongyang were laid at the Friendship Tower on October 25 to commemorate the 45th anniversary of the Chinese People's Volunteers' [CPV] entry into the Korean war.

Present on the occasion were Yi Chong-ok, Politburo member of the WPK Central Committee and vice-president, and other senior party, state and army officials.

Also present there were Qiao Zonghuai, Chinese ambassador to Korea, and embassy officials.

Those present laid wreaths before observing a moment's silence in memory of the martyrs of the CPV who died heroic death in battles against the U.S. imperialist aggressors during the fatherland liberation war.

Also Wednesday wreaths from the WPK Central Committee, the Central People's Committee and the Administration Council of the DPRK, the Ministry of the People's Armed Forces, party, government, administrative and economic organs, working people's organisations and a unit of the Korean People's Army in South Pyongan Province were laid at the tomb of Mao Anying, a son of the great leader of the Chinese people Comrade Mao Zedong, and cemeteries of the martyrs of the CPV in Hoechang County, South Phyongan Province.

Wreaths were laid at cemeteries of the martyrs of the CPV in Pyongyang and local areas.

Government Holds Banquet

*SK2610055095 Pyongyang KCNA in English
0445 GMT 26 Oct 95*

[FBIS Transcribed Text] Pyongyang, October 26 (KCNA) — The government of the Democratic People's Republic of Korea gave a banquet here Wednesday on the 45th anniversary of the entry of the Chinese People's Volunteers [CPV] into the Korean war.

Invited to the banquet were a delegation of former Chinese People's Volunteers led by Col. Gen. Shi Yuxiao, political commissar of the Guangzhou Military District of the Chinese People's Liberation Army, a delegation of officials of the Communist Party of China led by Wangtaihua, alternate member of the C.C. [Central Committee], the CPC and deputy secretary of the Anhui Provincial Party Committee, Chinese famous artistes' group and other guests from China.

Politburo member of the C.C., the Workers' Party of Korea and Vice-president of the DPRK Yi Chong-ok, vice marshal of the Korean People's Army Kim Kwang-chin, secretary of the WPK Central Committee Hwang Chang-yop and others were present.

Addressing the banquet, Chang Chol, vice-premier of the Administration Council, said that the CPV's entry into the Korean war was a disinterested international aid of the Chinese people to the Korean people. "It

was a strong manifestation of the revolutionary sense of obligation historically established between the peoples of the two countries in the joint struggle against imperialism," he added.

"The Korea-China friendship is a common, precious wealth left by the late leaders of the two countries for the posterity and this revolutionary treasure should be held dearer and honored by the two peoples down through generations," he said. "The traditional Korea-China friendship, which was sealed in blood and has withstood trials of history, will continue to strengthen and develop, displaying its invincible vitality, by the joint efforts of the two peoples."

Jang declared that the Korean people would do their utmost to consolidate the friendly and cooperative relations with the Chinese people, true to the behest of the respected leader Comrade Kim Il-song and the intention of the great leader Comrade Kim Chong-il.

Qiao Zonghuai, Chinese ambassador to Korea, said in his speech that the armies and peoples of the two countries dealt a telling blow at the U.S. imperialist aggressors and won a great victory in the war against the aggression, with the unbreakable militant friendship and great solidarity, which was sealed in blood.

"It is the steadfast policy of the Chinese party and government to further consolidate and develop the Sino-Korean friendship," he said.

He expressed the belief that the flower of this friendship would come into fuller bloom and become more beautiful under the correct leadership of the Communist Party of China with Comrade Jiang Zemin as its core and of the Workers' Party of Korea headed by Comrade Kim Chong-il and by the joint efforts of the two parties, two peoples and two armies of China and Korea.

PRC Artistes at Reception Hosted by Chang Chol

*SK2410051995 Pyongyang KCNA in English
0501 GMT 24 Oct 95*

[FBIS Transcribed Text] Pyongyang, October 24 (KCNA) — The Ministry of Culture and Art gave a reception here on Sunday [22 October] for a Chinese famous artistes' group on a visit to Korea on the occasion of the 45th anniversary of the entry of the Chinese People's Volunteers into the Korean war.

Invited there were the members of the Chinese Famous Artistes' Group led by Liu Yufang and officials of the Chinese Embassy here.

Present there were Vice-Premier of the Administration Council Chang Chol, minister, and Kim Chong-ho, vice-

minister, of culture and art, and other officials concerned [sentence as received].

Speeches were exchanged at the reception.

Give Premiere in Pyongyang

*SK2410051395 Pyongyang KCNA in English
0504 GMT 24 Oct 95*

[FBIS Transcribed Text] Pyongyang, October 24 (KCNA) — The famous artistes' group of China gave its premiere here on Monday [23 October].

The group consists of first class artistes and those artistes who won the highest prizes in national and international concourse.

The group will put on the stage the numbers it sincerely prepared on the occasion of the 45th anniversary of the entry of the Chinese People's Volunteers into the Korean war.

Its performance showing traditional customs of life, warm love for the motherland and worthwhile life of the Chinese people was acclaimed by the audience.

The audience were deeply impressed by a Korean song "Shine the Chongil Peak" representing the infinite respect and reverence of the Korean people for the great leader Comrade Kim Chong-il and other Korean songs sung by Chinese artistes.

Mixed chorus "Song of the Chinese People's Volunteers" appealed to the hearts of the audience. The song was sang by the fine sons and daughters of the fraternal Chinese people when they fought in the Korean war under the banner of "resisting America and aiding Korea, safeguarding the home and defending the motherland" and fought against the U.S. imperialists.

The performance ended with a mixed chorus "Korea-China Friendship Will Be Everlasting."

Pak Song-chol Heads NAM Conference Delegation

*SK2210001395 Pyongyang Korean Central
Broadcasting Network in Korean
1100 GMT 20 Oct 95*

[FBIS Translated Text] According to news reports, the 11th conference of the nonaligned countries opened in Cartagena, a city in Colombia, on 18 October. National flags of the member states of the movement, including that of our country, were hoisted in front of the venue.

A DPRK delegation led by Vice President Pak Song-chol, delegations of other Nonaligned Movement [NAM] member states, and observers and guests from various countries attended the conference.

Indonesian President Suharto, chairman of the 10th conference of the nonaligned countries, declared the opening of the conference, and, according to his proposal, all participants paid silent tribute to the great leader Comrade Kim Il-song.

The Indonesian president gave a report on his activities in the past three years as chairman of the NAM, followed by a speech by Colombian President Ernesto Samper Pizano, who was elected chairman of the 11th conference of the nonaligned countries. UN Secretary General Butrus Butrus-Ghali delivered a congratulatory speech. The Gabonese president, Syrian vice president, Nicaraguan president, and Cypriot president also delivered congratulatory speeches representing their respective regions.

The conference of the nonaligned countries will discuss measures to promote peace, security, and development, and to establish more fair and equal international relations.

Poem Collection 'Paean of Kim Chong-il' Viewed

*SK2510232795 Pyongyang KCNA in English
0853 GMT 25 Oct 95*

[FBIS Transcribed Text] Pyongyang, October 25 (KCNA) — "Paean of Kim Chong-il", a collection of poems of Peruvian poet Hernan Altamirano Falkoni [spelling of name as received], was brought out in Peru on the 50th anniversary of the Workers' Party of Korea.

Printed in the collection is a portrait of the great leader Comrade Kim Chong-il.

It carries a preface and 50 odd poems, including "The Sun Has Risen", "Holiday of Mt. Paektu", "Lullaby by Mother", "Mt. Paektu, the Cradle of Revolution", "The Bright Star", "The Great Successor", "The Supreme Leader of the Workers' Party of Korea", "Supreme Commander Kim Chong-il", "The Faith of Korea" and "Kim Chong-il, the Lodestar of Reunification".

In the preface the poet wrote that the great leader Comrade Kim Chong-il, who was born in a log cabin on Mt. Paektu in the period of the glorious anti-Japanese armed struggle, has fully personified the sense of discipline, the spirit of devoted service and noble communistic traits of the anti-Japanese forerunners, the respected leader Comrade Kim Il-song's idea of "believing in the people as in heaven" in particular from his childhood.

Comrade Kim Chong-il is the greatest of great men possessed of rare wisdom and outstanding strategy, and he, who has fully personified the ideology and theories, distinguished leadership ability and noble popular virtues

of the great leader Comrade Kim Il-song, is Comrade Kim Il-song today, the poet said.

He stressed that though Comrade Kim Il-song passed away to their sorrow, bright is the future of Korea and the road ahead of human cause of independence as they are led by Comrade Kim Chong-il.

Russian Paper on 'Leader of World Socialism'

*SK2510223195 Pyongyang KCNA in English
1505 GMT 25 Oct 95*

[FBIS Transcribed Text] Pyongyang, October 25 (KCNA) — The Russian paper GLASNOSTI No. 19 carried an article headlined "Comrade Kim Chong-il, Leader of World Socialism" in celebration of the 50th anniversary of the Workers' Party of Korea.

Aleksandr Brezhnev who is a Russian writer said in the article that the WPK under the wise guidance of Comrade Kim Chong-il is throwing its brilliant rays throughout the world. The potentials of the WPK that are demonstrated in the international arena can be found in the Pyongyang declaration the vitality of which is displayed under the guidance of Comrade Kim Chong-il, he said, and continued:

Representatives of more than 200 political parties, movements and organisations have already signed the Pyongyang declaration.

It was very instrumental in uniting communists, social democratic activists, and representatives of revolutionary democratic political parties and national liberation movements under the difficult situation and creating conditions for the promotion of equal and useful co-operation among political parties and movements.

Comrade Kim Chong-il in the work "Abuses of Socialism Are Intolerable" said that in order to defend and carry to completion the socialist cause it is necessary to make strenuous efforts for the development and consummation of the socialist ideology, firmly arm the popular masses with it and make them cherish an unshakable faith in socialism.

Comrade Kim Il-song founded the chuche idea and, basing himself on this, developed the socialist ideology from a new angle and completed it.

The Korean people with firm faith in the justness of the socialist cause based on the chuche idea are confidently moving forward along the road to socialism.

Comrade Kim Chong-il is fighting not only for the national interests and progress of the Korean people, but also for the interests of all peoples and nations as well as the internationalist interests of all socialist liberation

movements. For this he enjoys so high prestige on the world scene.

Comrade Kim Chong-il is an indomitable fighter for the accomplishment of the socialist cause.

While reading the recently published works of Comrade Kim Chong-il in Pyongyang, I came to have a better knowledge of the fact that he is a genius of thought and theory, who devotes his all to the accomplishment of the socialist cause he said, adding:

He will fight it out to defend the invincible chuche idea and the banner of Korean-style socialism.

Russian Paper Lauds WPK as 'Guiding Force'

*SK2410224095 Pyongyang KCNA in English
1517 GMT 24 Oct 95*

[FBIS Transcribed Text] Pyongyang, October 24 (KCNA) — The Russian paper PATRIOT No. 40 allotted two full pages to special writeups under the title "WPK, Guiding Force Leading Socialist Cause to Victory" on the occasion of the 50th anniversary of the foundation of the Workers' Party of Korea.

The paper said that marvellous successes have been made in the Democratic People's Republic of Korea over the 50 years since the Workers' Party of Korea, which was founded by Comrade Kim Il-song, one of the greatest revolutionaries in the 20th century, has led its people along the road of the socialist revolution.

The WPK, it noted, could defend the idea of socialism successfully countering the strong pressure from the imperialists because Comrade Kim Il-song, who was the best son of the nation and devoted his whole life to the people, remaining unfailingly loyal to them at turning point of history, stood at the head of the nation, and it is also important that he put up Comrade Kim Chong-il, his faithful comrade-in-arms, for the successor to his cause from long ago.

Comrade Kim Chong-il acquired the work style and method of Comrade Kim Il-song, always accompanying him, and paid great attention to ideological work and arrangements to arm the masses with the chuche idea and guarantee purity of the party ranks, the paper said, and went on:

The cause of the great Comrade Kim Il-song is being carried out successfully by Comrade Kim Chong-il, the great heir to him.

Comrade Kim Chong-il enjoys respect of the Korean people as the father of the nation and holds great authority in the international communist movement.

Always guaranteeing purity of its ranks, the Workers' Party of Korea has united the Koreans as a people who are so firmly rallied that they can do anything.

Referring to the WPK's politics of love for the people, the paper said that Comrade Kim Il-song's spirit with which he subordinated everything to the interests of the people has become the nation's banner of encouragement from long ago.

The paper said the leader of Korea who had meticulous care for people and profound humanity always paid deep attention to the life of the people in practice.

It hoped that the DPRK would become a beacon indicating the road to future of humankind and consolidate and develop with the century.

Yugoslav, Belarus Parties Mark WPK Anniversary

*SK2410151395 Pyongyang KCNA in English
1503 GMT 24 Oct 95*

[FBIS Transcribed Text] Pyongyang, October 24 (KCNA) — Rallies, seminars and other events took place in Yugoslavia, Luxembourg, Peru, Belarus, Bangladesh, Zaire, Mexico, Portugal and other countries to mark the 50th anniversary of the Workers' Party of Korea.

Reports and speeches were made at the events.

In his speech, Stevan Mirkovic, president of the Presidency of the Communist Workers' Movement of Yugoslavia, said that over the last 50 years the WPK has made brilliant historic achievements in its effort for the freedom and happiness of the Korean people and the prosperity and development of the country, creditably fulfilled its internationalist obligation and greatly contributed to the development of the world revolution.

The WPK has firmly armed the popular masses with the chuche idea, achieved the singlehearted unity of the leader, the party and the masses and is leading the Korean revolution to a constant upswing under the complex international situation today under the leadership of Comrade Kim Chong-il, he added.

In his speech, Luis Manuel de Araujo, chairman of the Portuguese Central Committee for the study of Kimilsungism, said: "The ex-socialist countries where socialism has collapsed are undergoing failure and twists and turns, but Korean-style socialism is winning victory after victory. This is because the Workers' Party of Korea is guided by the chuche idea and is deeply rooted among the popular masses."

In his report, V. Chikin, secretary of the Central Committee of the Party of Communists of Belarus, said the WPK is playing a leading role in the international

communist movement, which is gaining worldwide momentum.

Kim Chong-il Receives Worldwide Greetings

*SK2510050895 Pyongyang KCNA in English
0430 GMT 25 Oct 95*

[All names as received]

[FBIS Transcribed Text] Pyongyang, October 25 (KCNA) — The great leader Comrade Kim Chong-il received messages of greetings from foreign party leaders on the 50th anniversary of the foundation of the Workers' Party of Korea.

The messages were sent by Sushil Kumar Shinde, general secretary of the Indian National Congress Party (I); Shahidullah Choudhury, chairman of the Central Committee of the Communist Party of Bangladesh; Tan Sri Dato Chan Choong Tak, secretary general of the Malaysian People's Movement; Frank Baude, chairman of the Central Committee of the Communist Party-KPML(R) of Sweden; President Marian Donnelly and General Secretary Pat Quearney of the Workers' Party of Ireland; Darmasiri Senanayake, general secretary of the Central Committee of the Sri Lankan Freedom Party; Mustafa Kamel Murad, chairman of the Liberal Party of Egypt; Youssef Amin Wali, general secretary of the Egyptian National Democratic Party; Rifaat Es-said, general secretary of the National Progressive Unionist Party of Egypt; Santiago De Onate Laborde, chairman of the National Executive Committee of the Institutional Revolutionary Party of Mexico; Martin Soto Guevara, general secretary of the Mariateguista United Party of Peru; Kwesi Pratt, general secretary of the Popular Party for Democracy and Development of Ghana; Toe De Stanislas, general secretary of the Democratic Youth Revolutionary Party of Burkina Faso and Mamadou El Bechir Gologo, secretary general of the National Direction Committee of the Sudanese Union-African Democratic Rally in Mali.

The messages extended warmest congratulations to Comrade Kim Chong-il on the 50th anniversary of the Workers' Party of Korea and wished him good health and a long life.

The messages expressed the belief that the Workers' Party and people of Korea would make achievements in the efforts for the socialist construction and the peaceful reunification of the country under the wise leadership of Comrade Kim Chong-il.

Receives More Greetings

**SK2610050295 Pyongyang KCNA in English
0428 GMT 26 Oct 95**

[All names as received]

[FBIS Transcribed Text] Pyongyang, October 26 (KCNA) — The great leader Comrade Kim Chong-il received messages of greetings from foreign party leaders on the 50th anniversary of the Workers' Party of Korea.

The messages were sent by Leslie Ramsammy, leader of the United Republican Party of Guyana; Vassos Lyssarides, chairman of the Central Committee of the Socialist Party of Cyprus; Sinan Hudowic, chairman of the Yugoslav Working Class "Josip Broz Tito"; Eriya Katgaya, National Political Commissar of the National Resistance Movement of Uganda; Radames Larazabal, president of the Patriotic Federation of Venezuela; Pedro Ortega Dias, president of the Central Committee of the Communist Party of Venezuela; Seik Mahmud Nahnah, chairman of the Islamic Social Movement of Algeria; chairman Gustavo Marquez Marin and General Secretary Reopoldo Puchi of the Venezuelan Movement to Socialism; Eric Sealy, leader of the People's Pressure Movement of Barbados; and Kassim Salam, secretary of the Yemeni Regional Leadership of the Arab Socialist Baath Party.

The messages warmly congratulated Comrade Kim Chong-il and wished him good health and a long life.

The messages expressed the belief that the friendly and cooperative relations between their parties and the Workers' Party of Korea would grow stronger and develop in the future.

He also received a message of greetings from the leadership council of the Arab Islamic Democratic Movement of Jordan.

South Pyongan Accelerates Coal Production

**SK2510104295 Pyongyang NODONG SINMUN
in Korean 16 Sep 95 p 3**

[Report by special correspondent Mun Myong-nok]

[FBIS Translated Text] By highly upholding the party's intention, functionaries in South Pyongan Province are going down to various mines in the province and are carrying out organizational and political works to decisively increase coal production.

At the provincial party committee, the economic guiding organs in the province; party organizations of the mining complex; and party organizations in the plants and enterprises related to coal production, are explaining deeply and permeating the party's intention to the

functionaries, party members, and workers, and are setting up measures to thoroughly implement them.

The provincial party committee is working so that the city and county party committee can have deep interest and actively assist the mining industry. Also, it assigned major plants and enterprises to mines, and made them help repair facilities and produce spare parts. Moreover, the provincial party committee mobilized departments in the committees to offensively carry out political propaganda and economic agitation to rouse the party members and workers. Thus, the struggle to increase production is being all the more vigorously carried out at all mines.

The provincial party committee is sending functionaries, including those responsible in the provincial-level organs, to the mines so that they can have a concrete understanding of the work of the related units, help the functionaries of the lower units, and thus, worked to thoroughly implement the party's intention on all the more increasing coal production in accordance with the masses' infinite strength and wisdom.

The great leader [yongdoja] Comrade Kim Chong-il has pointed out:

"If results are to be achieved in the party work and economic work, functionaries must go down to the masses, and carry out work in accordance with the masses."

Functionaries of the province who went down to the Sunchon district mining complex which takes the lion's share of the province's coal production, are concretely acquainting themselves with the process of the organizational and political work to increase coal production and are intensifying guidance. They are going down to the mines and pits of the complex and are finding ways to increase coal production and are rousing the working class by eating from the same table with the functionaries there.

In particular, functionaries of the province are guiding the complex and mining guidance functionaries so that they can carry out the economic organizational work to the last detail in accordance with the demand of the Taean work system, and are guiding the supply of materials, including mine prop and blasting materials, so that these can come into gear to the finest detail.

Functionaries of the province who were assigned to go down to the Tokchon district mining complex are vigorously carrying out the political work to rouse the party members and working class.

Functionaries of the province who are going down to each mine where the struggle to increase coal

production is being carried out vigorously, are working with the workers and resting with them to deeply plant the apple of loyalty into the hearts of every miner. Functionaries of the provincial party committee and responsible functionaries of the provincial-level organs who went down to the Anju district mining complex and the Kaechon district mining complex are actively pushing to carry out the struggle to increase coal production in the related units.

They are repeatedly explaining the party's intention to the functionaries and working class, and by exploring and mobilizing inner reserves, the functionaries and working class are being actively used in production. Also, measures are being taken to repair and maintain transportation facilities, including electric cars, coal trucks, and belt conveyors, at the appropriate time.

Functionaries who went down to the Pukchang district mining complex and the Yongdae mine went down to the masses, and are vigorously carrying out the political work and are finding reserves among the masses and resolved problems, thus, vigorously accelerating production. At the same time, functionaries intensified the work with the functionaries of the related units so that the self-reliant bases that were set up at each complex and mine can prove their worth. Also, they are working to all the more thoroughly establish labor regulations and improve the rear-area supply work.

The province is shrewdly carrying out the organizational work so that the plants and enterprises, including the Sungni automobile general plant, the 28 September plant, and the Changnim survey machine plant, can actively help mines.

Functionaries, party members, and working class of each mines in the province who have been all the more encouraged in the functionaries' political work and tenacious organizational work, are all the more vigorously carrying out the struggle to increase production so that they can send even one more tonne of coal to various sectors of the people's economy.

Daily Urges Expeditious Rice Harvesting
SK2610014795 Pyongyang MINJU CHOSON
in Korean 20 Sep 95 p 1

[Editorial: "Let Us Vigorously Wage Rice Harvesting Battle at a Lightening Tempo"]

[FBIS Translated Text] Under the brilliant rays of the great rural theses, this year's rice harvesting season is drawing near in our socialist rural area where we reaped a rich harvest every year.

The great leader Comrade Kim Chong-il has pointed out: "We should expedite rice harvesting and finish it as soon as possible."

Rice harvesting is a very important farming battle.

Only when rice harvesting is carried out at the right time can rice threshing be accelerated and the loss of rice grains be prevented. In our country where rice farming occupies an important position in agricultural production, skillfully carrying out the rice harvesting battle is a crucial key to successfully winding up this year's farming. Furthermore, under the conditions in which this year's rice ripening period has been delayed due to abnormal weather conditions, we could suffer the losses by frost if we further delay the rice harvesting period.

Such being the case, we should vigorously wage rice harvesting, reaping rice within a short period of time and increase crop yields in accordance with the party Central Committee's slogans.

Speaking of this year's rice harvesting, it is a battle to harvest crops cultivated by the sweat of the agricultural working people, who made a pledge before the fatherly leader's bier, and is a worthwhile battle to donate rice stacks to the great October festival.

The agricultural workers should cherish in their minds that rice harvesting is a glorious battle to add luster to the 50th anniversary of the founding of the party; to further enrich our country, our fatherland; and to be loyal to the great leader [yongdoja] Comrade Kim Chong-il, being true to the fatherly leader's behests. Thereby, they should reap rice within a short period of time.

In order to step up rice harvesting and wind it up at an early date, we should organize work down to the last detail.

Most of all, we should concentrate all our strength on rice harvesting.

In the rural areas, nothing is more important than reaping ripened crops.

In the agricultural sector, manpower and machines should be mobilized to the maximum for the rice harvesting battle.

When the rice harvesting plan is mapped out in detail, manpower and machines can be rationally utilized as planned, further increasing the rice harvesting results with existing strength.

Farms should draw up the rice harvesting battle plan by the day and by the cultivated field based on the detailed

calculation of the paddy fields, manpower and machines that can be mobilized, the ripened condition of rice, and other situations, and arrange strength in conformity with it.

What is especially important here is harvesting rice from the paddies where rice is well ripened. Only then can grains be reaped without any loss. For this, the functionaries should tentatively examine the status of ripened rice at each rice paddy field and draw up a rice harvesting plan on the basis of their examination.

The battle should be scrupulously organized so as to unfailingly implement the rice harvesting plan.

The workteams and sub-workteams of the farms should set forth the goal of the battle for every agricultural worker in conformity with the soil conditions, the location of paddy fields, distance relations, and the breedings and farming conditions of rice. In addition, they should assign the manpower and organize the work on the principle that young and middle-aged people take charge of the difficult and hard rice harvesting battle.

Providing good working conditions is an important demand that is brought forth in the organizational work to finish rice harvesting within a short period of time. The most important area in this is to supply sufficient parts for farm machines and farm implements.

Farms should secure sufficient reserve parts essential to enhancing the utility of rice harvesting machines and provide themselves with sufficient medium and small-sized farm implements so that they may be available for the voluntary labor force.

To finish rice harvesting rapidly within a short period of time, we should enhance the revolution-mindedness and combat capability of the functionaries of the rural economic sector.

When the functionaries organize work in a revolutionary manner and push it forward militantly, the enthusiasm and spirit of the masses will be heightened, and when the masses are aroused, all problems will be resolved.

This year, under such a disadvantageous weather, we have been able to carry out the farming work—such as sowing seeds, transplanting corn humus pots, transplanting rice, and weeding—effectively in a timely manner according to the demand of the chuche agricultural method because the functionaries of the rural economic sector organized and commanded the farming battle with high revolution-mindedness and combat capability according to the party's intent.

Now that the rice harvesting battle has begun, the functionaries of the rural economic sector should command

the farming work ambitiously and energetically with high revolution-mindedness and militancy.

At present, the important commanding guardpost for the functionaries of the rural economic sector is the site of rice harvesting, and the position they should stand in is at the head of the rice-harvesting combat rank.

The functionaries of the agricultural guidance organizations, including the county cooperative farm management committee, and the farm management functionaries should go to the site of the rice harvesting battle according to the anti-Japanese guerrilla's work-style, encourage the masses with vigorous political work and by setting examples and showing by practice rather than by precept, set a bold and high rice harvesting target and vigorously push forward its realization, and solve the surfacing problems in a timely and responsible manner.

Another important requisite to enhancing the success of the rice harvesting battle is that the functionaries of the rural economic sector and the agricultural working people highly display the ethos befitting masters and the collectivistic spirit.

The ethos befitting a master and the collectivistic spirit are the noble ethos which the functionaries who organize and command socialist rural economy and the socialist agricultural working people should have, and highly displaying them is essential to demonstrate the might of the socialist rural economic system based on collectivism and to effect innovations in the overall farming work.

With deep awareness of the duty of the masters who are responsible for the country's rice chest, the functionaries of the rural economic sector and the agricultural working people should efficiently and thoroughly harvest every stalk of rice so that no grain may be lost and effect collective innovations in the rice harvesting battle, helping and encouraging each other.

The present demand that rice harvesting be accelerated and completed rapidly requires us to intensify the work of assisting rural areas.

The local power organs and various sectors of the people's economy should actively mobilize labor reserve and send as many men as possible to assist in the rice harvesting battle, and the relevant plants and enterprises should produce farm machines, farm implements, and their parts necessary for rice harvesting without fail as planned and send them to the rural areas.

The socialist cooperative farms is exhilarated at the expectation of a bumper crop demand that rice harvesting be accelerated.

Let us all launch ourselves into the speedy rice harvesting battle so that we can expeditiously and thoroughly harvest the rice for which we have achieved a bumper crop working hard throughout the spring and summer.

Radio, Television Report on Status of Harvest
SK2610124495

[FBIS Editorial Report] The following is a compilation of news reports on harvest and threshing carried by Pyongyang Korean Central Broadcasting Network in Korean and Pyongyang Korean Central Television Network in Korean from 23 to 26 October.

At 1100 GMT on 23 October, Pyongyang Korean Central Television Network in Korean carries a one-minute report on agricultural workers of Wonson Cooperative Farm in Taedong County accelerating grain threshing. Stating that the farm is overfulfilling its daily threshing targets without giving specific figures, the report commends tractor driver Cha Kil-yong for his outstanding hauling work.

At 1100 GMT on 24 October, the television carries four under-one-minute reports on threshing and harvest. The television first introduces Pongdok Cooperative Farm in Panmun County where farmers in No. 1 and 3 work teams are "threshing 1.3 times more grain than their daily targets."

The report then introduces the farm where Kim Myong-ok is working, and states that No. 2 and 5 work teams of the farm are threshing "tens of tonnes of rice daily."

The television continues to report on bumper crops of sweet potatoes in Sindok Cooperative Farm in Sunchon, as a result of "using 50 tonnes of quality fertilizer per chongbo [2.451 acres]." The farm reportedly reaped more potatoes than last year.

The television then turns to Songdo Cooperative Farm in Kaesong, and reports that the farm reaped a good harvest of autumn vegetables through "scientific cultivation."

At 1100 GMT on 25 October, the television carries a two-minute report on Sungyo Cooperative Farm in Chunghwa County. An unidentified interviewee expresses gratitude to functionaries of the General Federation of Trade Unions, who helped harvest and thresh grains, and reports that "the farm is threshing 7 to 10 percent of the farm's total crops daily."

At 1200 GMT on 23 October, Pyongyang Korean Central Broadcasting Network in Korean carries a one-minute report on the status of threshing in cooperative farms in the basin of the Chaeryong River. The report states that cooperative farms in Sinchon, Chaeryong, and Anak Counties "complete their daily grain

threshing schedule without fail." The report acknowledges Naerim, Pukchi, Kim Chae-won, and Tongsunhyon Cooperative Farms in Chaeryong for completing daily threshing targets by 120 percent daily.

The report was followed by an under-one-minute report on threshing in Changjin and Chongsan Cooperative Farms in Kangso District in Nampo. The report states that Changjin Cooperative Farm is threshing 9 percent of their crops daily, "completing 60 percent of the total threshing," and that Chongsan Cooperative Farm is increasing threshing 1.3 times more grain than the initial stage of the threshing.

At 2100 GMT on 23 October, the radio carries a one-minute report on the threshing in the Chaeryong plain. The report states that in Sinchon, Chaeryong, and Anak Counties, "more than 1,000 threshers are in full operations at full capacity to thresh thousands of tonnes of grains." The report notes that cooperative farms in Sinchon County threshed "nearly 10,000 tonnes of rice in the past few days."

At 1200 GMT on 24 October, the radio carries three one-minute reports on the threshing status. The radio reports that cooperative farms in the Yonbaek plain are "threshing over 3,000 tonnes of grains daily," and that Chongjung, Sinpyong, Chongdan Cooperative Farms in Chongdan County "threshed about 10,000 tonnes of rice in the past few days." The report notes that cooperative farms in Yonan County are operating hundreds of threshers to process nearly 1,500 tonnes of rice daily.

The second report introduces cooperative farms in Yanggang Province. The report acknowledges cooperative farms in Kim Chong-suk County, Kim Yong-kon County, and Kapsan County for overfulfilling daily threshing targets.

The third report introduces Yongsan Cooperative Farm in Kaepung County, and commends the hard work of the No. 1 and 3 work teams.

At 1200 GMT on 25 October, the radio carries a one-minute report stating that cooperative farms in Taechon County are "threshing over 1,000 tonnes of rice daily," and notes outstanding work at Ilgok and Wonsan Cooperative Farms. The report also acknowledges outstanding performances of the Ongyang, Mulkil, Hwasan, and Mogwon Cooperative Farms.

The report was followed by a under-one-minute report on Tongpyong County where "farmers are hauling rice from about 300 chongbo of paddies daily." The report also notes that Chondok, Mungong, Kwangun Cooperative Farms have hauled 70 percent of rice sheaves, and that Pongnam and Naedong Cooperative Farms are in the final stage of hauling.

At 2100 GMT on 25 October, the radio carries a one-minute report on the hauling of rice sheaves in state-run farms and cooperative farms in South Hwanghae Province. The report notes that "Ongjin, Ulliyul, and Kangnyong Counties hauled 60 percent of rice sheaves."

The radio continues to carry a one-minute report on threshing in cooperative farms in Anbyon County in Kangwon Province. The radio reports that the farms are threshing rice "from hundreds of chongbo of paddies daily," and commends the outstanding work at Yohkwa, Hwapyong, and Chungpyong Cooperative Farms.

Daily Urges People To Implement Party Slogans
SK2610081695 Pyongyang MINJU CHOSON
in Korean 24 Aug 95 p 1

[Editorial: "Let Us Further Give Spurs to the Implementation of Economic Tasks Presented in the Slogans"]

[FBIS Translated Text] One hundred days have passed since the party Central Committee's slogans were presented. During this period, functionaries and working people in all sectors of the national economy have effected a great success in implementing the economic tasks presented in the slogans by highly displaying their burning loyalty to the great leader [yongdoja] Comrade Kim Chong-il and matchless mass heroism.

Functionaries in the rural economic sector and agricultural workers have achieved outstanding crop conditions by properly doing the fertilization and cultivation management of crops, including weeding, in conformity with the demands of the chuche farm method following the timely completion of rice transplanting and humus-potted corn seedling transplanting.

Functionaries and working people in the light industry sector, the export goods production sector, and the external trade sector have effected innovations in actively increasing the production of people's consumer goods and export goods and in improving their quality by vigorously waging the struggle to fulfill their assigned militant tasks presented in the slogans, upholding the party's light industry-first and trade-first policies.

Functionaries and working people in the power industry sector, coal industry sector, railway transport sector, and metal industry sector have firmly guaranteed the production of electricity, coal, and iron and steel materials and waged the struggle to carry cargoes in a timely manner in response to the surging zeal of the working class and all working people in all sectors of the national economy who have risen up in the implementation of the party's slogans. Thus, they have greatly contributed to rapidly developing the overall economy of the country.

In particular, at a time when the struggle to provide labor gifts of loyalty to be presented to the party on the occasion of the 50th anniversary of its founding is being consistently carried out in all plants, enterprises, and cooperative farms, a great success has been effected in the fulfillment of the national economic plan of the first half of this year, as well as in the fulfillment of the July and August plans, and a new progress has been achieved in realizing the modernization of production process and facilities.

As a result, the 50th anniversary of national liberation was more significantly marked, and, accordingly, our people's faith to make our country, our fatherland, richer by implementing the party's revolutionary economic strategy has been more firmly deepened.

All successes which are being achieved in the implementation of the party Central Committee's slogans clearly prove the correctness and vitality of the ideology and spirit of the party Central Committee's slogans. This also constitutes a proud demonstration of the inexhaustible creative power of our people, who have unanimously risen up in the implementation of the slogans with the firm faith that one is always victorious whenever one does according to what the party directs, as well as a proud demonstration of the spirit and mettle of absoluteness and unconditionality toward their leader's [yongdoja] plan and intent.

Thus, the party's slogans have turned out to be innovative successes, and this is thanks to the great leader [yongdoja] Comrade Kim Chong-il's outstanding and tested leadership. The great leader Comrade Kim Chong-il has inspired the entire party, the whole country, and all the people to implement the party's slogans and wisely led the struggle of our functionaries and working people for the implementation of the slogans at the front. This has become the basic guarantee which bestows infinite strength, wisdom, and fighting spirit upon our people and working people and which provides them with a proud success at every phase in the accomplishment of the tasks and rewarding struggle targets presented in the slogans.

The successes we have achieved during the 100 days are indeed great and proud. However, what we should do in the future is more and greater than this.

The 50th anniversary of party founding is only 50 days away. The problem is how to brilliantly fulfill all the economic tasks presented in the party's slogans. This rests with the struggle during these 50 days. Now is the time for functionaries and working people in all sectors of the national economy to further stir up themselves and staunchly struggle with extraordinary determination and will.

The great leader Comrade Kim Chong-il has indicated: "We should work militantly and assiduously and run as we did in the postwar rehabilitation period."

Today's struggle to brilliantly fulfill the economic tasks presented in the party Central Committee's slogans is an honorable struggle that demonstrates to the world once again the might of our socialist self-reliant economy which was provided by the whole energy of the great leader Comrade Kim Il-song and which has been firmly deepened through the great Comrade Kim Chong-il's energetic and tested leadership. It is also a rewarding struggle to more firmly provide the material guarantee for making our country, our fatherland, richer.

When this struggle is successful, a new turning point will be unfolded in the accomplishment of the overall tasks of socialist economic construction in the period of adjustment, and the greatness of the leadership of our party which has set forth the revolutionary economic strategy will be vigorously demonstrated to the world.

When today's struggle is led to victory, the invincible strength and the might of single-hearted unity of our people who are firmly rallied as one mind around the great leader Comrade Kim Chong-il will be once again demonstrated. At the same time, when today's struggle is led to victory, this will vividly show that no matter how frantically they may run wild, the imperialists and reactionaries cannot frighten our people nor can they provoke our fatherland.

Functionaries of all power organs and administrative and economic organizations have heavy and responsible duties in completely implementing all economic tasks presented in the party's slogans, without missing any single one.

Our working people, who have stoutly grown up in the bosom of the party and the leader [suryong], have infinite wisdom, braveness, and creativity, as well as great vigor. If they firmly maintain and enhance their fighting spirit, which was greatly amplified on the occasion of the 50th anniversary of the fatherland's liberation, they can achieve great and proud victories beyond comparison with what they have achieved so far. What matters is our functionaries' attitude toward the organizational and political work; that is, it depends on how vigorously and tenaciously they approach and command the organizational and political work.

Functionaries at all sectors of the national economy should freshly awaken themselves to the significance of their mission in today's sacred struggle and should properly plan and organize the struggle to implement militant tasks assigned to each sector and unit.

The rural economic sector should manure and tend all crops, including rice and corn, in accordance with the demand of the chuche farming method and make thorough preparations for harvest to achieve an excellent result of good crops this year, as expected, and should also concentrate efforts on cultivating autumn vegetables.

The light industry sector should actively carry out the struggle to diversify consumer goods and increase their production in both quality and quantity and to modernize facilities and processing lines, by operating all light industrial plants at full capacity while adhering invariably to the party policy on the light industrial revolution, so as to produce people's consumer goods, including various daily necessities and food, in a large quantity.

At the same time, it should continue producing 3 August people's consumer goods with a mass-oriented movement. By so doing, it should make the party's light industry-first policy display its justice and vitality vividly and practically.

The trade sector should strongly build the export goods production bases everywhere and largely increase the production of export goods. Also, it should actively struggle to widely develop the processing trade by decisively enhancing the quality of the export goods.

There are many things that should be completed by the coal industry, power industry, railway transport sector, and metal industry before 10 October. The success of the overall economic work depends on how these sectors implement their combatant target in a responsible manner.

The coal industry, power industry, and railway transport sector should more vigorously carry out the struggle for the increased production, as well as for the increased transport with a high sense of responsibility by giving priority to the preferential sector of the national economy. As a result, they should fully implement the assigned tasks ahead of schedule by the day, quarter, and month. In particular, the coal industry should stabilize coal production at a higher level by giving priority to the excavation. The power industry should operate the hydroelectric power plants at full capacity, while quickly and qualitatively carrying out the work to repair the facilities of the thermal power plants. Also, the railway transport sector should transport cargoes to all socialist construction sites in a timely manner by working out the transport organization and command.

The national economy can be strong, as well as can be vigorously advanced only if the steel and iron sector is prepared firmly. The metal industry sector should effect

a new innovation in producing the steel and iron goods by vigorously implementing the chuche-oriented steel production method of our own style under the slogan of the self-reliance and fortitude.

The machine industry sector should timely produce and supply the machine facilities demanded in all sectors of the socialist economic construction, including the construction of the important monumental creations and the high-capacity generating power bases, as well as the great nature-remaking work. At present, it should concentrate every effort on producing facilities necessary for the major construction plants that are supposed to be completed before 10 October.

Functionaries of various sectors of the national economy, plants, and enterprises, including committees and ministries of the Administration Council, should fully display their character as the commanders of the revolutionary Army in today's vigorous struggle, cherishing deep in their hearts the responsibility of their positions. Also, they should always go down among the producer masses and share joy and sorrow with them. By vigorously carrying out the ideological and political work and by properly implementing the minute economic and organizational work, they should fairly carry out all works.

Functionaries of each government organization and administrative and economic organization should actively organize and lead workers to implementing the economic tasks presented in the party's slogan. To achieve this, they should thoroughly embody the revolutionary demands of the party's slogan entitled "Serve the people!"

The economic tasks presented in the party's slogan is very honorable and rewarding goal and, also, the faith and will that they can brilliantly implement the tasks have been firmly cherished deep in the hearts of our functionaries and workers.

Promised in the future road of our people are the proud success and victory who are vigorously advancing with the revolutionary spirit of the self-reliance and fortitude under the wise leadership of the great [widaehan] Comrade Kim Chong-il, upholding the party's combatant slogan.

Let us perform a new miracle and create a heroic feat in the production and construction under the banner of the three revolutions — ideological, technical, and cultural — to proudly and victoriously glorify the grand festival of October.

Paper Publishes Article on Chuche Philosophy

SK2610110695 Pyongyang KCNA in English
1018 GMT 26 Oct 95

[**"Famous Work on Chuche Philosophy" — KCNA headline]**

[FBIS Transcribed Text] Pyongyang, October 26 (KCNA) — NODONG SINMUN today carries an article to mark the fifth anniversary of the publication of the famous work "On Having Correct Viewpoint and Understanding of the Chuche Philosophy" by the great leader Comrade Kim Chong-il (October 25, 1990).

The work is a monument which gives a full explanation of the historical position and advantages of the chuche idea, the only guiding idea of the present era, the paper says, and continues:

In the work Comrade Kim Chong-il said if one is to understand the advantages and originality of the chuche idea, it is necessary to have a correct understanding of the limitations of the preceding philosophies and study the chuche philosophy in comparison with them. The advantages of the chuche philosophy can be seen when they are viewed in comparison with the limitations of the preceding philosophies which consider the development of all things as a natural process.

As they apply the principles of materialistic dialectics, a general law governing the material world, to the society, the preceding philosophies consider the socio-historical movement as a natural process that changes and develops by a material and economic factor.

The chuche idea was the first in history to make clear the law intrinsic to the socio-historical movement on the basis of the new philosophical principle that man is the master of everything and decides everything.

Man is a social being with independence, creativity and consciousness. They are inherent features of man expounded by the chuche idea.

The work also elucidates the idea that all the philosophical questions including relations of natural, human and social transformation should be understood properly in view of revolutionary practice.

In the work Comrade Kim Chong-il said it is important to have a correct understanding of the law governing the unity and struggle of opposites and the relations of natural, human and social transformation and to study all the philosophical questions in view of revolutionary practice.

The ideas and theories expounded by him in the work serve as a highly important guideline in applying the chuche idea. So, the work is an immortal work

which has made a special contribution to enriching the treasurehouse of the working-class revolutionary ideas.

South Korea

Former U.S. Official on Commitment to ROK

*SK2610072595 Seoul YONHAP in English
0654 GMT 26 Oct 95*

[FBIS Transcribed Text] Seoul, Oct. 26 (YONHAP) — The U.S. policy toward the Korean peninsula will change only if attitudes in Korea toward American involvement shifts, former U.S. State Department Spokesman Hodding Carter observed Thursday.

In a lecture he delivered to a group of journalists at the Korea Press Center, Carter said, "We (the U.S.) do not intend to go unless asked to leave," adding, "We consider ourselves a Pacific nation with Pacific interests."

"It would be a terrible mistake to believe in 1995 that anything will change the U.S. commitment to the Korean peninsula," the current journalism instructor at the University of Maryland (UM) said. He pointed out that the current policy on the peninsula focuses on the security of South Korea, unification of the North and South under terms that the latter finds acceptable and maintaining peace in the region.

Having served as a reporter, moderator, and commentator on "This Week With David Brinkley" and "Front-line," along with guest commentator spots on "Nightline" and "The Larry King Show," the former State Department spokesman under the Jimmy Carter administration has been a guest columnist for major dailies, including THE NEW YORK TIMES, WALL STREET JOURNAL, BOSTON GLOBE and LONDON TIMES.

Making his first visit to Korea in 15 years, Carter referred to the nuclear agreement signed last year between the United States and North Korea as "the least bad way to handle the circumstances." He said that so far its main accomplishment has been the prevention of the North's nuclear program "from proceeding."

On reunification, Carter argued that the U.S. role has been and will continue to be to facilitate reunification between South and North Korea, denouncing as "hypocritical" the notion that the United States is pursuing a two-Korea policy. He further added that it is "imperative" that North Korea not be able to arm itself and that it has nothing to gain by "lashing out" at South Korea.

He cited the strength of the bond by noting the five summits held between both nations' leaders during the past three years as well as President Bill Clinton's remarks concerning his 1993 Seoul visit that the Korean

and American militaries are "a set of overlapping sets of armor."

However, he stressed that such an alliance "can only be maintained through the closest cooperation and consultation," noting that both American and Korean citizens tend to focus on the troubles from the agreement rather than the benefits.

Carter mentioned the recent "Korea Day" event held in College Park, Maryland. Sponsored by the Korean Embassy, UM and a local Korean-American association, the one-day festival commemorated the first Korean college graduate in the United States, Byun Soo, who received his degree from the university in 1891.

Current Status of Relations With U.S. Reviewed

*SK2610070095 Seoul CHOSON ILBO in Korean
26 Oct 95 p 7*

[Article by Pak Tu-sik in Washington]

[FBIS Translated Text] President Kim Yong-sam and U.S. President Clinton did not have a separate meeting during the UN anniversary gathering. They merely took a photograph together on 22 October at a dinner reception celebrating the 50th anniversary of the United Nations.

Aides to both presidents explained they had busy schedules and "there was no particular pending issue." "No pending issue" does not mean ROK-U.S. relations are in good shape. Although not yet tangible, a fundamental change is emerging in relations between the two countries.

In recent years, ROK-U.S. relations have been in a cycle of conflict and cooperation. The North Korean nuclear issue is what decides the curve and duration of that irregular cycle. Conflict between the ROK and the United States is heightened whenever the North Korean nuclear issue enters a crisis and U.S.-North Korea high-level talks become intensified. When the North Korean nuclear issue calms down to an adjustment stage, ROK-U.S. cooperation returns to normal. Donald Gregg, former U.S. ambassador to the ROK, said "negotiations on the North Korean nuclear issue will face even further crises," with the nuclear issue affecting ROK-U.S. relations.

Another factor influencing ROK-U.S. relations is the trade issue. The ROK-U.S. trade dispute has become a daily routine.

Public opinion regarding ROK-U.S. relations has changed in both countries. The subway incident in May involving U.S. servicemen eventually led to negotiations to revise the Status of Force Agreement. Public

opinion no longer provides "unconditional support and cooperation."

Thus, post-Cold War ROK-U.S. relations are characterized by constant conflict. During the Cold War, ROK-U.S. relations moved within the boundary of the U.S. strategy to block the Soviet Union. The tripartite cooperation in Northeast Asia between the ROK, the United States, and Japan was a shield strong enough to cloak "complaints about the ROK domestic situation, including the human rights issue." However, after the end of the Cold War, the United States was extremely reluctant to play the role of coordinator in Northeast Asia.

The United States recently adopted a new approach toward Korean affairs. The theory is to prevent a sudden collapse of North Korea based on the ROK's economic vitality. Instead of the Cold War's "full-scale interference," the United States will adopt "limited interference" in its new mid-to-long-term strategy for the so-called safe admittance of North Korea into the international community. This is seen in the U.S. plan to open a liaison office in Pyongyang, as well as in the United State's silence on the conflict between the ROK and Japan over the rice aid issue. The United States, as well as neighboring powers such as the PRC and Japan, are adopting a "two Koreas" strategy.

North Military Object to U.S. Liaison Office
SK2510235795 Seoul CHOSON ILBO in Korean
24 Oct 95 p 33

[Article by North Korean affairs team of the CHOSON ILBO political desk: "U.S. Liaison Office in Pyongyang Not Likely To Be Opened This Year Due to Objection From the Military"]

[FBIS Translated Text] A key government official stated on 23 October: Businesslike negotiations between the United States and North Korea on establishing liaison offices have been delayed due to the objection of North Korea's military leadership. Therefore, it is almost impossible to open them this year.

It has been learned that the working-level delegation led by Jeff Goldstein [correcting spelling of name], the official in charge of the North Korean affairs at the U.S. State Department, who attended the fourth round of expert talks, explained to the ROK Government the result of such negotiations early this month. During the briefing, the U.S. side has reportedly informed the government that the liaison office is not likely to be opened this year, because there are many pending issues, such as the right to free activity by U.S. diplomats in Pyongyang, and because even if an agreement is reached, it will take three months to complete the administrative procedures. The official stated that "at

present, the important issue pending between the United States and North Korea is the matter of how to transport diplomatic pouches and materials used by U.S. diplomats in Pyongyang via Panmunjom," saying: "The North Korean military leadership is strongly opposed to the passage of diplomatic pouches via Panmunjom."

In addition to the transfer of diplomatic pouches via Panmunjom, North Korea and the United States have been in conflict over the selection of the liaison office site. The two sides have reportedly and provisionally agreed to use the former East German Embassy in Pyongyang (present German interest section) as the building of the liaison office, but the U.S. side has tried to lease another building near the presidential palace, if possible, not in the diplomatic housing area. Also, the United States has assumed the position to pay a rental fee to the German Government, while North Korea has called on the U.S. side to pay it to the North.

Our government has paid attention to the fact that North Korea — which has regarded the rapid establishment of diplomatic relations with the United States and Japan as a breakthrough in maintaining its system — shows an inactive attitude toward the establishment of liaison offices.

A relevant official of the National Unification Board analyzed that "the North Korean military leadership is deeply engaged in the policy decisions made by the party and the government (Administration Council) and also put a brake on their opening up policy [rewording]. There are signs that in reality, North Korea is ruled by the military leadership."

A relevant government official who participated in the third round of ROK-DPRK talks held in Beijing in September, stated: "During the talks, I strongly felt that Chon Kum-chol, senior delegate from the North side, made sincere efforts to repatriate the Usongho crew members. However, the negotiations to repatriate the crews were not successful. It seems that this is because the Ministry of Foreign Affairs and the Reunification Front Department, which mainly deal with the talks, failed to overcome the objection from the military leadership."

The United States and North Korea have held their expert-level talks on establishing liaison offices on four occasions from 6 December 1994 in accordance with the Geneva agreement that stipulates that "as progress has been made in the matters concerned between the two sides, relations between the two countries will be upgraded to the ambassadorial level."

North Experts Plan U.S. Nuclear Facilities Tour

*SK2610013995 Seoul YONHAP in English
0119 GMT 26 Oct 95*

[FBIS Transcribed Text] Washington, Oct. 25 (YONHAP) — A group of North Korean nuclear experts will attend a regular plenary session of the American Nuclear Society (ANS) opening Oct. 29, tour U.S. nuclear facilities and meet with U.S. officials, sources here said Wednesday.

ANS officials in Chicago said that the four North Korean technicians will attend the winter session of the ANS meeting being held Oct. 29-Nov. 2 in San Francisco before making a tour of a nuclear power plant in Arizona and several nuclear related companies.

The North Korean delegation, led by Chang Sang-hak, Nuclear Safety Bureau chief of the General Department of Atomic Energy, will also visit Washington to meet with U.S. Energy Department officials, according to the ANS.

In particular, the North Korean technicians plan to check the safety of the "System 80" reactor model produced by the Combustion Engineering Co., on which the South Korean standard light-water reactor model is based.

ANS officials said they are going to exchange views with the North Korean experts on general nuclear technology, management of nuclear power plants and nuclear safety measures.

The North Koreans are scheduled to arrive in the United States soon and are expected to remain there until Nov. 15.

U.S. Brigadier General Said Visiting DPRK

*SK2610023795 Seoul KBS-1 Radio Network
in Korean 0220 GMT 26 Oct 95*

[FBIS Translated Text] According to U.S. sources, U.S. Brigadier General Kevin Burns, who is stationed at Fort Hood, Texas, is currently visiting North Korea to participate in the meeting of the Executive Committee of the International Military Sports Council held in North Korea.

U.S. Plans More DPRK Aid via UNICEF

*SK2610043795 Seoul YONHAP in English
0431 GMT 26 Oct 95*

[FBIS Transcribed Text] Washington, Oct. 25 (YONHAP) — The U.S. Government has decided to provide an additional 200,000 U.S. dollars in humanitarian assistance to North Korea to help it overcome the severe flood damage it suffered last summer.

The State Department said Wednesday that it has authorized the Agency for International Development (AID) to provide the U.S.-financed assistance, adding that the agency will provide the flood relief to the communist country through UNICEF (United Nations Children's Fund).

"We are providing this humanitarian assistance because the United Nations has verified that a serious humanitarian crisis exists (in North Korea)," a spokesman at the department noted. He said that the U.S. donation should be used for the UNICEF supplemental feeding program or for the measles immunization program to benefit children under age 5.

The department pointed out that the aid given so far by international communities totals about 1 million U.S. dollars and falls far short of the 15 million dollars the United Nations indicated was needed by North Korea.

The disaster assistance is possible, the spokesman stated, because North Korea has taken what is for it unprecedented steps and is permitting international agencies to enter the country to verify the disaster requirements and monitor the distribution of relief assistance.

Meanwhile, the U.S. Government granted through UNICEF 25,000 U.S. dollars in flood relief assistance to North Korea last month for the purchase of medical supplies.

EU To Provide Emergency Assistance to DPRK

*SK2610092195 Seoul YONHAP in English
0823 GMT 26 Oct 95*

[FBIS Transcribed Text] Seoul, Oct. 26 (YONHAP) — The European Community's Humanitarian Office (ECHO) has decided to provide 290,000 ecus (European currency units: About 287,390,000 won) in emergency assistance to North Korea to aid the communist country in its recovery from recent flooding, the delegation of the commission of the European Communities in Seoul announced Thursday.

ECHO will channel 150,000 ecus of the relief package through UNICEF (United Nations Children's Fund) and the NGO (Non-Government Organization) "Medicins Sans Frontieres Belgium" will handle the remaining 140,000 ecus, the European delegation added.

The office will finance a vaccination program, the distribution of blankets and medical supplies and oversee a rehydration program in Pyongyang, Chagang and Hwanghae Provinces, according to the delegation.

Police Find Equipment Hidden by Infiltrator

*SK2510150195 Seoul KBS-1 Television Network
in Korean 1200 GMT 25 Oct 95*

[FBIS Translated Excerpt] The two armed agents from the North who appeared in Puyo, South Chungchong Province on 24 October were dispatched to the South to bring a South Korea-resident North Korean spy back to the North, according to investigative authorities. Reporter Hwang Sang-mu reports.

[Begin recording] [Hwang Sang-mu] This is Central Park in Pundang, Songnam City, Kyonggi Province, located in a densely built up area of apartment buildings. The captured agent Kim To-sik told the investigative authorities that this is where he buried handguns and a radio. Although the place was perfectly camouflaged so that no one may suspect, by using a detection device the ROK investigators found it anyway.

[Unidentified investigator] The agents buried a radio here and took two handguns out on the night of 23 October.

[Hwang Sang-mu] When the investigators carefully removed the dirt, an object wrapped in six layers of vinyl sheets and tape appeared.

[Unidentified investigator] This is a radio with which you can send a message as soon as you switch it on, after you have inputted a set of numbers.

[Hwang Sang-mu] Found inside the box were five items, such as a table of random numbers, part of which had already been used, a code key, and a manual for the radio.

According to the results of the police investigation, the North Korean agents left a southward operation base in Haeju on 29 August and arrived in Kanghwa Island around midnight 30 August.

They made their way to Songnam and stayed at an inn there. Then they moved to Puyo toward the end of September to contact the North Korean agent living there who had been dispatched to the South 10 years ago.

Their activity was detected by the police for the first time when the suspicious residents reported to the police that they were loitering around the Chonggak Temple in Puyo. On 24 October, after some 20 days of loitering, one of them was captured; the other ran away. [end recording]

Some 20,000 troops from the Army and the police continued a manhunt all day today tracing the fugitive agent, but he is still at large. [passage omitted]

Paper: Relative of North's O Chin-u Defects

*SK2610051395 Seoul CHOSON ILBO in Korean
26 Oct 95 p 47*

[Report by Kang Yong-won]

[FBIS Translated Text] It was confirmed on 25 October that a relative of O Chin-u, former minister of the North Korean People's Armed Forces who died last February, recently defected to the ROK and is currently undergoing investigation by the relevant agency.

A high-ranking government source revealed "O Yong-nam (32), who was engaged in earning foreign currency in China, has recently defected to the ROK," and added "O Yong-nam was once said to be a son of O Chin-u. However, the findings show that he is a remote relative of O Chin-u."

O Yong-nam had served as a captain in the North Korean Army. Discharged from the service, he was sent to China to engage in earning foreign currency. However, he decided to defect to the South when he was pressed from above over money problems.

It was also learned that O Yong-nam has some knowledge of the personal backgrounds of high-ranking North Korean military officials, and is expected to provide authoritative information on North Korean military circles which our government has had difficulty collecting information on.

**Industry's Dependence on Japanese Materials
Noted**

*952C0181A Seoul CHUGAN MAEGYONG in Korean
9 Aug 95 pp 11-14*

[By reporter Cho Yong-kwon]

[FBIS Translated Text] To manufacture a piece of communications equipment worth 1 million won, the Korean manufacturer needs to import 216,000 won worth of Japanese parts and materials. To manufacture 1 million won worth of computers or copying machines, the Korean manufacturer needs to import 197,000 won worth of Japanese parts and materials. To manufacture 1 million won worth of refrigerators, washing machines, or other home appliances, he needs to import 105,000 worth of Japanese parts and materials.

According to "The Inter-Industry Relations Effect of Imports from Japan," a Bank of Korea survey with 1990 as the base year, the import inducement coefficient as applied to Japanese imports is 0.049. An import inducement coefficient is an index showing the volume of imports generated by one unit of goods manufactured. The inducement coefficient of 0.049 means that 4.9

percent of all goods manufactured in Korea is the Japanese content.

The import inducement coefficient is greater in case of high-tech goods. In other words, the degree of dependence on Japan is greater not only in terms of quantities of imported goods but also in terms of technology imports. As applied to induced Japanese imports, the import inducement coefficient is 0.216 in video-audio communications equipment, 0.197 in electronic parts, and 0.146 in precision instruments, and 0.108 in industrial specialty machinery.

The high import inducement coefficient is the reason why the trade deficit with Japan is increasing rather than decreasing despite the increase in exports and the strong yen.

Import Inducement Coefficient* as Applied to Japanese Imports

Industry	Coefficient	Industry	Coefficient
Agriculture, forestry, fisheries	0.017	(specialty machinery)	0.108
		(computers, office machines)	0.195
Mining	0.015	(Precision machines)	0.146
		(Industrial electric equipment)	0.096
Manufacturing	0.186	(Home appliances)	0.105
(Foods)	0.019	(Video-audio communications equipment)	0.216
(Textiles, leather)	0.065	(Electronic parts)	0.197
(Paper, wood products)	0.032	(Automobiles)	0.096
(Chemicals)	0.090	(Other transportation equipment)	0.113
(Petroleum, coal)	0.011	(other manufacturing industries)	0.050
(Ceramics, earthen/stone) wares	0.028		

Industry	Coefficient	Industry	Coefficient
(Primary metals)	0.050	(Service industry)	0.022
(Metal products)	0.074		
(General industrial machinery)	0.098	Average	0.049

Footnotes 1. Source: the Bank of Korea. 2. *Import inducement coefficient is the volume of imports generated by the manufacture of one unit of product as a percentage of the value of that unit.

The Bank of Korea analysis used 1990 as the base year. Imports from Japan accounted for 26.2 percent of the total volume of our imports from overseas in 1990. The figure slightly decreased to 24.9 percent in 1994. According to experts, there is little change in the basic trend toward dependence on Japan.

In manufacturing process, Japan and Korea have division of labor mainly in the area of assembly. Japan performs high-tech assembly whereas Korea performs standardized low-tech assembly. Yu Kwan-yong, researcher at Korea Institute for Economics and Technology, characterizes this as division of labor based on the difference in the levels of technology.

The export of Korean-made parts has been booming since early this year. But the basic pattern of "general-purpose parts made in Korea vs. core parts made in Japan" remains unchanged. Rather it tends to accelerate. Thus the same vicious cycle of keeping on using Japanese parts despite their rising prices because the Korean manufacturers have no alternative.

True, our industry's dependance on Japan is high. Nevertheless, the future prospects are not all too pessimistic. As the tendency for a strong yen continues, Japanese manufacturers are importing more and more parts from overseas despite their *keiretsu* procurement arrangement, so that they may maintain the price competitiveness of their products. This means that much greater opportunity for Korean enterprises to increase exports.

Japanese parts manufacturers are either transferring technologies or expanding overseas investments because the Japanese finished goods manufacturers are exerting pressures on them to reduce the prices of the parts. This may provide a golden opportunity to Korean parts manufacturers. From a long range point of view, the rising prices of parts can be a plus for the development of the domestic parts industry. In the machine tools sector and in some other sectors, cases are increasing in

which Korean manufacturers are developing manufacturing technologies independently or jointly with third countries other than Japan.

Despite the stark reality of the different levels of technology, it is a good sign that the rate of increase in the export of parts and industrial materials to Japan is greater than the rate of increase in the imports of Japanese parts and industrial materials. The rate of increase in exports to Japan was 29 percent last year, but this year the rate was 55 percent as of this May. On the other hand, the rate of increase in imports from Japan has rose to 31 percent from 22 percent last year.

Machinery

Let us take Y Company, which produces cutting tools, as an example. Orders have increased so sharply that the company is uttering a cry of joy. Last year the company, with 150 employees, grossed 2.2 billion won in total sales. It is now having difficulty because it does not have enough basic materials and parts to fill the incoming orders.

The basic material this company is using is specialty steel called steel for high-speed tools. The company has long relied on Japan for the supply of this specialty steel. Korean specialty steel makers are producing similar steel, but few Korean machine tool manufacturers purchase it because its quality is poor.

Japanese specialty steel manufacturers continually increase the price of specialty steel because of the rising yen value and simply tell the Korean importers that the price been raised. The price has soared by 70 percent so far this year. The price of SKH-57 special steel supplied by the Japanese company Hitachi is nearing the \$20 level by surpassing the \$19 mark from \$11 per kg at the beginning of the year.

This is not the difficulty facing Y company alone. Similar difficulties confront all Korean machine manufac-

turers using Japanese-made core parts. The machine industry is where dependence on Japan is the greatest. The export of machinery has been on a sharp rising trend since the beginning of the year. In extreme cases, makers have no more inventories left to sell. Countries importing Korean-made machinery vary, but none of the Korean manufacturers have gained a foothold in Japan because of the marked difference in the quality of the products.

In some cases Korea and Japan compete with each other in third countries. But the competition is limited to the kinds of machines which use standardized technology in manufacture. The problem is that the Korean manufacturers cannot be too happy about the rising trend of machine exports because they have to imports high-performance Japanese machine tools in order to increase production. This is the dilemma facing our machine industry finds. Many of Korean enterprises say they would not change the sourcing of machine imports despite the rise in the price of Japanese-made machines.

Machine tools are machines used in making machines. The controller is the core of a machine tool. When it comes to controllers, Japan accounts for 90 percent of all controllers used in Korea. According to the machine tool industry, there is not a single Korean-made controller. Some manufacturers claim that they have succeeded in making controllers domestically, but it is just a partial, not a complete localization.

Recently, more and more Japanese firms are paying attention to Korean-made machines because of the current rising trend of the yen value. This is an encouraging sign. If our machine manufacturers should fail to take this opportunity to narrow the difference in the levels of technology and instead depend wholly on the price advantage, this would be just a passing boon.

Sector-by-Sector Dependence on Japanese Trade (in millions of dollars; % in parentheses)

Division	Subdivision	General-Purpose Machines	Precision Machines	Auto-mobiles	Electric, Electronic Appliances	Chemicals	Textiles	Steel Products	Total
Exports	Gross	4,203	795	5,287	31,504	5,984	17,270	5,587	96,013
	To Japan	280	119	4	3,298	749	2,748	1,598	13,523
	(%)	(6.7)	15.0	(0.1)	(10.5)	(12.5)	15.9	(28.6)	(14.1)
Imports	Gross	13,517	3,269	345	18,559	18,903	4,109	5,758	102,348

Division	Subdivision	General-Purpose Machines	Precision Machines	Automobiles	Electric, Electronic Appliances	Chemicals	Textiles	Steel Products	Total
From Japan	5,637	1,412	29	7,528	4,679	673	1,931	25,390	
	(%)	(41.7)	(43.2)	(8.3)	(40.6)	(24.7)	(16.4)	(33.5)	(24.8)
Difference	Gross	-99,314	-2,476	4,942	12,948	-12,920	13,162	-171	-6,335
	With Japan	-5,357	-1,293	-25	-4,230	-3,930	-2,076	-333	-11,867

Source: Korea Foreign Trade Association, 1994.

Automobiles

Korea is the world's third largest automobile-producing country. But the foundation of the industry is very weak. As long as the high dependency on Japanese imports is concerned, the situation is the same with the automobile sector. Our automobile industry has succeeded in localizing standardized auto parts, but it still depends on Japan for the supply of gasoline engine parts, gearboxes, and other high-tech parts. The more the Korean automobile prospers, the more it fattens the Japanese parts manufacturers.

Our auto industry is giving a sigh of relief because its dependence on Japan began to decrease greatly. Last year the volume of imported Japanese auto parts as a percentage of Korea's total import of foreign auto parts dropped to 50.7 percent. This is a sizable decrease from 61 percent in 1993. Last year the degree of dependence on foreign imports in the supply of auto parts was 6 percent.

According to an analysis by Kia Institute for Economics, each time the value of the yen appreciated by 1 yen against the dollar, the profitability of the Korean auto industry dropped by 9 billion won this year. This is indicative of the seriousness of our dependence on Japanese auto parts.

This trend toward greater dependence on Japan has been accelerating this year. While the export of parts is decreasing, their imports are increasing by a large margin. The volume of auto parts imported from Japan is 10 times greater than the volume of Korean-made parts export to Japan. Last year the import of auto parts to Japan totaled \$820 million, or an increase of 33 percent from the preceding year.

The makeup of imported auto parts and exported auto parts are all the more lamentable. Korea exports tires, rubber products, and other low-end products while mostly importing engines, chassis, steel products, transmissions, and other high-end products. Fortunately,

the domestic development of high-tech auto parts has accelerated each year.

Electric & Electronic Products

In the electric-electronic industry, Korea ranks among the world's leading export countries. But when it comes to industrial electric and electronic products, the situation is different. In particular, Japanese-made core parts dominate the Korean market.

The Korean electronic industry is as much as 55 percent dependent on Japan for the supply of parts. Electric and electronic parts may be divided into two categories, namely, high-tech and low-tech parts. Korea is a major export country of standardized low-tech parts, which require little high technology. But when it comes to high-tech parts, Korea largely depends on Japan for their supply. Korea has competitiveness only in standardized low-tech parts, depending on Japan for the rest.

As the value of the yen rose, Japanese parts makers unilaterally raised the prices one after another and simply notify their Korean customers of the hikes. Korean importers have no alternative but to accept the price hikes. Our major electronic manufacturers, such as Samsung, Lucky-Goldstar, and Daewoo, are actively pushing for the localization of core parts production. But there are limits to their drive.

The general public may be shocked when they hear that the Korean semiconductor makers depend heavily on Japan. Until now we have been told so many times that Korea is the world's number one semiconductor producer. Clearly, Korea ranks first in DRAM production. But when it comes to non-memory, the low standards of our manufacturing equipment and designing technology will make us feel shame, overshadowing our pride in memory chips. Korea depends on Japan for the supply of non-memory parts. In the world semiconductor market, non-memory leads memory at a 80:20 ratio. Our three leading semiconductor companies are ambitiously

expanding investments in the non-memory field. Japanese semiconductor makers have began to keep an eye on the Korean manufacturers lest their non-memory markets should meet the same fate as their memory markets.

In division of labor between Japan and Korea in the electronic industry, the percentage of assembly work done by the Korean industry is too high. The percentage was 28 last year. This also poses a problem. Because of the built-in structure, as the export of Korean products increases, the import of Japanese parts increases correspondingly.

Steel

The situation of the steel industry is similar to those in other industries. In general-purpose steel products, Korea is on a par with Japan in terms of competitiveness. But in speciality steel, Korea depends heavily on Japan.

Korea's annual speciality steel output last year exceeded 3 million tons for the first time. In terms of volume, the export recorded an all-time high of 3.238 million tons, accounting for 8.9 percent of the country's total annual steel output. This is a sizable increase from 6.5 percent in 1989. However, the percentage is still low compared with Japan's 16.4 percent.

The rate of increase in the export of steel products has reached 60 percent so far this year, far exceeding the 20-percent increase in the import of steel products. However, the trend toward "exporting general-purpose steel and importing specialty steel" continues.

Of steel products, the export of steel plates, which require a relatively low level of technology, has been in the black in 1990 in trade with Japan. On the contrary, the red ink in the import of steel piping and speciality steel has been ballooning each year. The deficit was \$776 million last year. The import of specialty steel increased by 39 percent in the first 5 months of 1995 over the corresponding period of 1994.

Nevertheless, the outlook for the future is not so gloomy because our steel producers are increasing investments in speciality steel manufacturing equipment.

Chemicals

Our petrochemical industry is booming these days. It does not have an enough stock to fill the incoming orders. The export of petrochemical products was shrinking until 1992, but began to soar suddenly in 1993. The volume of export increased by 31 percent last year from the 1993 level.

The supply falls short of the domestic demand, causing a sharp rise in imports. The rate of increase in the import of chemical materials has remained relatively flat since

last year. The scale of the import is four times as large as that of the export. As is the case with other industries, the technological gap is conspicuous in the pattern of the Korean chemical industry's trade with Japan. Korea's major export items include Naphtha (\$120 million in 1994) and chemicals. The industry has no room to export due to the increase in domestic demand.

Major export items are paraglycerin (raw material for polyester), epoxy resin (for use in semiconductors), and other petrochemical products. The sharp increase in the value of imports is partly attributed to the rise in prices due to the shortage of supply. In particular, this year the price of paraglycerin has increased 2.6 times from the price level in 1994. The Japanese manufacturers are concentrating their efforts to make direct entry into the Korean markets in an effort to reduce the shipping cost.

The Korean chemical industry recorded a trade deficit of \$2,322 million last year. The red ink was \$1,313 million as of this May, and the annual deficit this year is likely to be greater than last year.

According to some analysts, except for some high-tech products, the Korean chemical industry's dependence on Japan stems from the excess of demand over supply rather than the gap in technology. This is to say that there is room to improve.

Impact of WTO Rules on Setting Price of Rice

SK2610031995 Seoul THE KOREA TIMES in English
26 Oct 95 p 8

[Report by staff reporter Sim Chae-yun]

[FBIS Transcribed Text] The annual government business of setting the price and amount of the newly-harvested rice is facing rough sailing with the implementation of the new rules of the World Trade Organization (WTO).

The Food Grain Marketing Committee, an omnibus panel that sets the government's purchases of rice, has not yet determined what to recommend to the administration in connection with the buying of newly-harvested rice.

The organization's 20 members consisting of representatives from various interest sectors like producers, consumers, agricultural experts and government officials, failed to extract an agreement, although they met Oct. 23 at the Agriculture and Fishery Marketing Corporation building.

They only decided to meet again Oct. 30.

The main reason for their failure to come up with a consensus is nothing other than the changed situation

in determining the price and amount following the inauguration of the World Trade Organization (WTO) regime.

That is to say that each country under the WTO system has agreed to cut down the governmental subsidy to farming households with aims of realizing free trade in the field.

In other words, they decided to decrease government assistance to ensure fair competition in the international agricultural market.

The organization's device, once prepared, will be submitted to the Ministry of Agriculture, Forestry and Fisheries as a basis for the government's decision in this regard. The governmental proposal has to get approval from the National Assembly.

The nation has agreed to cut down the agricultural subsidy, which stood at 2.193 trillion won (2.75 billion dollars) in 1993, by 7.5 billion won annually until the year 2004.

In this vein, the organization is having a problem deciding the price and amount of the government-purchasing rice.

On the basis of the financial figure for the rice purchasing, the government is set to buy 9.6 million sok of rice (one sok equals 144 kilograms), a decrease of 900,000 sok from the previous year.

In this regard, a related ministry official said that committee members might well recognize the situation for this year when the domestic agricultural market begins to open.

"I know that they (committee members) may come to the conclusion that the government's earlier notice of buying 9.6 million sok was appropriate," he said.

As a matter of fact, related farmers' organizations like the National Agricultural Cooperative Federation (NACF) recognize that the cutting down of the government subsidy is inevitable, and are calling for measures to compensate the loss which farmers will suffer.

They assert that the government should prepare measures to compensate this loss through direct and indirect methods.

The NACF says that the possible decrease in the income of rice-growing households will amount to 213 billion won, and there is a need to offset the loss.

A ministry official said that the committee, acknowledging the need for the compensation, is seeking appropriate measures.

But there is a wide range of differences of opinions among the committee members on the boundaries and level of compensation, said the official.

More Discretion Urged in Investments Abroad

**SK2610030595 Seoul THE KOREA HERALD
in English 26 Oct 95 p 8**

[FBIS Transcribed Text] Korean companies need to be more discreet in investing in foreign countries, especially in the United States, not to suffer losses from their offshore investment, a state-run think tank said in a report yesterday.

At the right moment, the government on its part should keep overseas investment from growing too rapidly at too short a period of time, while broadening the scope of direct overseas investment, the Korea Institute for International Economic Policy (KIEP) proposed.

The think tank said corporate offshore investment is expected to surge in the coming years as Korean corporations have gained firm confidence in their performances buoyed by a prolonged boom of the Korean economy.

Other incentives for the corporate offshore push are interest differential between in Korea and in foreign countries [as published] and the strong Korean currency against the U.S. dollar, it said. The interest rate in Korea is usually more than 6 percentage points higher than in foreign countries.

But there is a catch to the corporate overseas push, the institute warned. Domestic companies may lose money on their excessive overseas investment, it said.

Such losses, the institute pointed out, would be a big burden to the Korean economy as a whole.

Local corporations thus should not join the offshore push since overly speculative investment in one country may burden them with high risks.

Especially, huge direct investment in the United States is highly risky given the current slowdown of the U.S. economy and the strength of the Korean won against the greenback, it suggested.

At a time when Korea's trade deficit with the United States is growing, big investment in the United States will decrease Korea's exports and further worsen its trade balance, the institute noted.

The think tank took the case of Japan during the late 1980s. Driven by surges in stock and land prices, Japanese corporations sharply increased their direct investment in the United States during the 1985-90 period. But the bubble economy collapsed in the early

1990s, they lost huge amounts of money on their U.S. investment.

It also maintained that the offshore push would hollow out South Korean industry at a time when domestic corporations should make more efforts to develop "high-tech and core" industries locally.

The KIEP report is widely seen as a warning to the recent rush by domestic conglomerates, or Chaebol, to invest around the world.

The top four Chaebol — Hyundai, Samsung, LG and Daewoo — had recently announced plans to invest a combined sum of at least \$20 billion overseas over the next five years.

The sheer size of these plans sparked fears that overseas shift of production would hurt Korea's economic growth by declining new investment in key industries.

In response, the Ministry of Finance and Economy put a brake on the overseas push Oct. 10 by announcing a set of measures to "liberalize and foster sound" direct overseas investment.

Under the new policy, all domestic companies making overseas investments of \$100 million or more will be required to secure at least 20 percent of the capital from inside Korea — from their own coffers, the stock market or banks.

Civic Groups Urge Investigation in Funds Case

SK2510040995 Seoul THE KOREA TIMES in English
25 Oct 95 p 3

[FBIS Transcribed Text] A civic group yesterday lodged a complaint against five former and incumbent senior prosecution officials for alleged negligence as it became known that they failed to follow through an investigation into former president No Tae-u's secret political fund although they secured a considerable amount of evidence from 1993 to 1994.

Their complaint followed the confirmation that No is the owner of 30 billion won hidden in borrowed names accounts at the Shinhan Bank.

Other civic groups called on the prosecution to get to the bottom of the money scandal involving the former president this time so as not to leave any iota of doubt as to the case.

The Citizens' Solidarity for Democratic Society, which filed the complaint against the five including former prosecutor general Kim To-on, asserted that they systematically manipulated and concealed evidence acquired in the course of investigating alleged payoff scandals to prevent No from being incriminated.

The solidarity said, "A prosecutor-turned lawyer, who participated in the investigation of the Tonghwa Bank money scandal, confirms the existence of large amounts of secret funds possessed by the No administration.

"It is an open secret that the prosecution halted an investigation into No's secret fund case earlier this year right just before cracking it up," it said, adding that all this indicates the then-senior prosecution officials' negligence of their duty.

Meanwhile, the Citizens' Coalition for Economic Justice urged the government to uncover the whole truth about No's secret funds this time once and for all.

In a statement yesterday, the coalition said, "Former president No Tae-u is trying to mislead the public by asserting that 30 billion won found linked to No himself was a leftover from what is called 'governing funds.'

"The government must investigate the case thoroughly to uncover all secret funds belonging to No and bring charges to all found to be responsible," it said.

Catholic and labor organizations joined in their call for the government to investigate the money case scandal thoroughly and completely.

Yi Won-cho's Alleged Scandal Role Reported

SK2510043095 Seoul THE KOREA TIMES in English
25 Oct 95 p 9

[Report by staff reporter Sa Tong-sok]

[FBIS Transcribed Text] In connection with the latest secret fund scandal involving former President No Tae-u, Yi Won-cho, former superintendent of the Office of Bank Supervision, is emerging as the object of public attention for his alleged role in creating huge political funds under the No administration.

Banking commentators harbor suspicions that Yi may have played a role in concealing secret funds of the No administration in Shinhan Bank.

As the latest scandal escalated, Yi disappeared, indicating that he hated being under a renewed spotlight.

Yi, often called the "prince of the banking community," had been widely known to have been involved, directly or indirectly, in creating political funds during the fifth and sixth republics.

Under the Chon Tu-hwan administration in particular, he had allegedly wielded enormous power in personnel shake-ups of bank presidents while serving as the chief of the banking watchdog body. Simultaneously, he had been rumored to be a central figure in creating political funds.

Banking analysts say Yi had stood behind Shinhan Bank's spectacular progress made in a short span of time.

As a matter of fact, Shinhan Bank has recorded rapid growth since its establishment in 1982. It posted a net income of 153 billion won last year, ranking first among the nation's 25 commercial banks.

Especially during the No administration, Shinhan Bank was able to increase its paid-in capital by more than four times, bolstering the allegation that it was on good terms with the regime at the time.

Shinhan Bank founder Yi Hui-kun, a Korean-Japanese businessman, also has close ties with Yi, banking analysts say. Yi offered the founder assistance when establishing Shinhan Bank in 1982, and Yi has since served as an ardent patron of the bank.

Yi provided full assistance to Shinhan Bank during 1985-88, when former Finance Minister Yi Yong-man was the bank president. Later, Yi, who was also on friendly terms with Shinhan Bank's founder, became the last finance minister under the No administration.

Critics list these personal relationships involving the three persons as the prime reason for Shinhan Bank having been picked as the hiding place of No's political funds.

Shinhan Bank president Na Ung-chan also established close relations with the strong men of the No administration.

In order to have the real picture of No's political funds, it would be better for the prosecution to summon Yi, analysts said.

But political commentators see little possibility of summoning Yi because he was allegedly involved in creating political funds which were spent by the ruling party in the last presidential elections through which incumbent President Kim Yong-sam was elected. Also, Yi had been acquitted from charges in another slush fund scandal involving Donghwa Bank.

Kim Yong-sam Cited on No's 'Secret Fund,' UN
SK2610104995 Seoul HANGUK ILBO in Korean
26 Oct 95 p 2

[Report by Cho Chae-yong on interview with ROK President Kim Yong-sam by unidentified ROK reporters at a news briefing in New York on 25 October]

[FBIS Translated Text] [Reporter] You ordered a thorough probe of former President No's secret political funds. Does this include legal proceedings?

[Kim] Since the old days when I was with the opposition party, I have not talked about domestic affairs during my overseas trips. I instructed Prime Minister Yi Hong-ku to make a thorough investigation of the matter without giving protection to anyone. I can only tell you that the investigation is under way. I will decide on follow-up measures after I return to Korea and receive a report from the prime minister. International calls have been monitored recently by the entire world, and I could not talk about various matters other than ordering strict investigations.

[Reporter] What did foreign leaders think of the ROK during the UN special summit?

[Kim] I was embarrassed for not being able to meet all the people who wished to call on me. All countries believe the ROK economy is hopeful. We can take pride in this.

[Reporter] What is your impression of the UN visit?

[Kim] It was good for me to participate in the General Assembly. Our country was born through the United Nations. Since we are not independently strong like the United States, the United Nations will be a shortcut for us to enter the international arena. The ROK will have greater international responsibility and duties with the UN Security Council membership.

[Reporter] What about the market opening issue in connection with the globalization plan?

[Kim] We have to be competitive in order to expand into the world. The ROK, as well as all other countries, are opening up. We have to do our utmost to win in the competition. That is the only way.

[Reporter] Please comment on recent North-South relations.

[Kim] During the two years and six months since my inauguration, I have spent over two years on the matter. Actually, there had been grave crises and difficulties. However, our basic idea is to resolve inter-Korean issues peacefully. The total cost of supplying light-water reactors to North Korea is likely to exceed the initial estimate of \$4 billion and reach \$5 billion.

[Reporter] In an interview with THE NEW YORK TIMES, you said the ROK will temporarily suspend North-South dialogue.

[Kim] I meant what I said, but if I repeat that frequently, it will be misinterpreted. Thus, it is inappropriate to comment further.

[Reporter] People in the Korean-American community in the United States are concerned because North Korea will soon open a liaison office in the United States.

[Kim] Korean-Americans, as well as all people in the world, will not support the last communist country on earth. Nobody can stop the international trend.

Reaction of Firms to Slush Fund Revelation Noted

*SK2510030795 Seoul THE KOREA TIMES in English
25 Oct 95 p 8*

[First of two-part article by staff reporter No Chun-hun assessing possible connection between enterprises and former President No Tae-u's secret slush funds and the impact of related developments on the business community: "Biz Community on Full Alert Over 'Connection' to No's Secret Fund"]

[FBIS Transcribed Text] The revelation that 48.5 billion won deposited in a Seoul Bank was directly from former President No Tae-u is sending chills through the spines of business leaders across the country.

There had been instances in which top businessmen admitted to providing tens of billions of won in "contributions" to the No administration, but the actual scope of the political funds remains unknown.

Furthermore, No had said firmly on a number of occasions that while "donations" from business enterprises certainly existed, it was made on a voluntary basis, and that neither he nor his aides first approached the parties.

In a confirmation of the existence of such funds, honorary Hyundai Group Chairman Chong Chu-yong told reporters in 1992 when he was running for president that he used to offer billions of won at times.

"At first, I used to contribute 2 or 3 billion won. But later, realizing that perhaps the amounts were too small, I raised them to 5 billion won. I remember my final contribution was 10 billion won," he had said.

Hyundai, naturally, is not considered to be the only company which provided the No administration with political funds, much of which comprise the secret fund's "leftovers" from No's political activities.

While the specific identities of those who helped establish the slush funds are yet unknown, further investigations into their exact scope and size is certain to bring at least some of them to the surface.

The prosecution's probe thus far has already shown that some of the checks, many of which were in the amounts of over 100 million won, were not laundered, and the original source could easily be traced.

Against such possibilities, large business enterprises, which are about the only ones able to afford such huge monetary contributions, are assuming various positions to protect their interests. For instance, the Sunkyong

Group, whose chairman is related to No by marriage, argued that recent revelations showed that it had nothing to do with either helping raise, launder or manage the secret funds as consistently alleged.

Its top officials said there is nothing in the latest findings that indicate any irregularities in its bid to obtain the license for becoming the second provider of mobile phone services or taking over a securities company.

"It has become clear that all political funds were managed directly by the former president's aides, thus confirming that Sunkyong played no part in any aspect of the secret money chest," one senior Sunkyong official stressed.

The Hanbo Group, on the other hand, is on full alert over the possibility that the government will reopen its investigation into irregularities over a residential development project in Suso in southern Seoul.

Hanbo officials said there is fear that the list of those who contributed to part of the 48.5 billion won will reveal Hanbo's name, thus scratching at a wound which has taken a long time to heal.

The Samsung Group, for its part, denied having received any favors from the No administration, and that it had no part in establishing No's slush funds, which by some estimates is at 400 billion won.

Samsung officials said the license for entering into the commercial vehicle business was awarded in consideration of national industrial interest against strong opposition from existing businesses.

As for other business groups, there were arguments that they simply were not on good terms with the No administration, and that they neither gave money nor received favors.

Still, these insistent statements from businesses reveal general uneasiness as all seem to be very interested in the direction and depth of the ongoing investigations.

The uniform voice of business groups is that the investigations should be concentrated on where the money was spent rather than where it came from since it was in spending the money that No must have sought to protect his interest.

DLP Urges No To Disclose 'Secret Fund'

*SK2610102495 Seoul YONHAP in English
0724 GMT 26 Oct 95*

[FBIS Transcribed Text] Seoul, Oct. 26 (YONHAP) — The ruling Democratic Liberal Party (DLP) on Thursday adopted a resolution urging former President No Tae-u to voluntarily disclose the whole aspect of the secret

fund he is allegedly keeping and to openly apologize to the people for the slush fund scandal.

Such action came from a meeting of the DLP's Central Executive Council presided over by party Chairman Kim Yun-hwan, in which council members debated the controversial secret fund case.

Stressing there should not be any cover-up in connection with the case, the resolution said that in the event any criminal activity is revealed through the prosecution's probes, it should be dealt with strictly in accordance with the law, apparently indicating that No will not be immune from the judicial process.

"We demand that ex-President No reveal every penny of the secret fund, irrespective of the prosecution's ongoing investigation, and beg for the people's forgiveness," the resolution said.

The DLP executive members resolved that they will treat the case with a firm, reform-minded determination, while recognizing that all politicians will lose the support of the people if they fail to completely put an end to the wrongful practices in the past.

The resolution also called for the government to investigate the case thoroughly in order to eliminate any suspicion about the matter.

Repercussions of 'Secret Fund' Scandal Viewed

**SK2610033395 Seoul YONHAP in English
0217 GMT 26 Oct 95**

[FBIS Transcribed Text] Seoul, Oct. 26 (YONHAP) — The repercussions of the secret political fund scandal involving former President No Tae-u appear as though they will remain for some time, as the government is at odds with No over how to settle the issue.

No has reportedly turned down ruling Democratic Liberal Party (DLP) Chairman Kim Yun-hwan's proposal that he disclose all the secret funds he raised during his presidency, donate his "secret fund" to the state, make a public apology and move to the countryside. He is known to be seeking a direct dialogue with the government, not with the DLP.

The government reportedly studies a plan to have the prosecution summon the former head of state for questioning, in case he refuses to comply with the DLP chairman's offer.

On Wednesday morning, DLP Chairman Kim, Director Kwon Yong-hae of the Agency for National Security Planning and Chief Presidential Secretary Han Sung-su met to confirm the earlier decision to get to the bottom of the scandal by having the prosecution conduct

a thorough investigation, putting aside the possibility of reaching a political settlement of the issue.

The government has already conveyed to No that it wants him to make public not only how he raised the money while in office but also what the total was and where he used it, informed sources said.

Concerning No's alleged contribution to the DLP's campaign fund during the 1992 presidential race, of which No's staff has threatened to make an issue, the government and the DLP are said to be prepared to admit they received money from No if the former president's allegations are confirmed.

DLP Secretary-General Kang Sam-chae said, "The prosecution will need more than two months to track down from where the money that flowed into the bank accounts containing Mr. No's secret fund came, and he should disclose all his secret funds and make a public apology before the prosecution's probe ends... a decision about whether he should be brought to justice, I think, would depend on the results of the prosecution's investigation."

The government and the DLP have not established a deadline for No to make a public apology before President Kim Yong-sam's return from New York, but "the sooner he makes an apology, the better," Kang remarked.

In reaction, No had a meeting with his staff members, including Chong Hae-chang and So Tong-kwon, at his home Wednesday. At this meeting, No reportedly decided that his one-sided public apology, as requested by the government, is not desirable.

Meeting reporters at his home Wednesday evening, Chong Hae-chang, who served as chief secretary of No during his presidency, said it is the government, not the DLP, that should settle the issue, when asked about the DLP's offer.

"There is no change in our position about the secret fund issue," he continued, "and we are not in a position to take the initiative in tackling the matter. We're just waiting for the action (of the government)."

As for the DLP's reported plan to disclose the financial aid it received from No during the 1992 presidential election, Chong said, "It's foolish. I think they may disclose the funds they registered with the Central Election Management Commission, but they cannot disclose other funds, can they? Politics at times requires you to overlook something you are well aware of. Is it such pride that warrants disclosure?"

DLP's New Secretary-General Discusses Role

952C0181B Seoul SISA JOURNAL in Korean
7 Sep 95 pp 38-39

[Interview with DLP Secretary-General Kang Sam-chae by reporter So Myong-suk; place and date not given]

[FBIS Translated Text] Kang Sam-chae, 43, is the new secretary-general of the DLP. His rise to his new post is having a strong impact on the political world. He was a student activist leader and later an opposition legislator who made his name as one of "the three marketeers of the National Assembly Education and Information Committee." In view of his background as the former star of National Assembly public hearings, his position as secretary-general of the government party seems to suggest that he is entering an unfamiliar terrain and wearing an unfit mantle. Despite his record as a National Assembly member elected for three consecutive terms in his thirties, he is too "young" as the secretary-general of the government party. In some DLP quarters, his appointment is taken as a warning for sweeping personnel reshuffling to come.

[So Myong-suk] Don't you think you have risen to fame too fast because of the cry for generational change?

[Kang Sam-chae] It is not fame, but an agony. Every politician covets an influential position. But it is a burden to hold the post of secretary-general of the DLP at a time when the party has to face the general election under the circumstances in which the situation has not improved at all following its defeat in the last local elections. If I had been asked beforehand what my desire was, I would not have mentioned the post of secretary-general.

[So Myong-suk] They say you were forewarned of your new position prior to President Kim's visit to the United States. In what way were you tipped off?

[Kang Sam-chae] To be precise, it was during my one-on-one meeting with the president on 15 July following the closing of the extraordinary session of the National Assembly. On that occasion, stressing the importance of nominating the right candidates [for the next general election] and that of organization, the president, told me to be prepared mentally. A politician would intuitively take this as a "hint" that the president was referring to the post of secretary-general. Subsequently, the president called me up over the phone at about 8 o'clock on the evening of 21 July to say: "When I talk to you the other day, I had the post of secretary-general in mind. I hope you will play that role to the best of your ability."

[So Myong-suk] You said President Kim emphasized the importance of nominating the right candidates for the election. What did he say in substance?

[Kang Sam-chae] The president said that he is fully aware of what caused the party's defeat in the local elections, but that there were some mistakes committed on the part of the party. He expressed his strong regret over the failure to present the kind of candidates who have a high political marketability and who are well adapted to the changed political environment. Choe Ki-son, Yi In-chae, and others succeeded, but some bureaucrat-turned candidates could not even conduct an adequate election campaign. Citing similar concrete examples, the president emphasized the importance of proper nomination.

[So Myong-suk] If so, there may be a sweeping personnel change in store in the process of nominating candidates for the 15th general election. Don't you think so?

[Kang Sam-chae] No, I should not make such prediction too soon... The time is changing rapidly. Our time wants its own kind of leaders. People in their thirties or forties are not necessarily the most sublime and the best. I am against any arbitrary change in generation that is carried out using a certain age as a yardstick. From now on we need to look for fresh, reputable persons in all areas who will draw plans for the 20th century and who have the ability to carry out a proper election campaign in their respective constituencies. Through our experience in the local elections, we came to realize that when a candidate falls behind in terms of personal qualities, nothing we can do about it. With the enforcement of the integrated election law, the government party has lost the election premium and is now saddled with a greater burden. If we should fall behind in terms of the personal qualities of candidates, how could you expect us to carry off the electoral race? But, I think it foolish for anyone to feel uneasy because of the rumors circulating in political circles that there will be a lot of change in the lineup of candidates for the next election. Recovering the trust of the grass roots is an important thing to do.

[So Myong-suk] When it comes to public opinion in your area, you seem to be in a very difficult position.

[Kang Sam-chae] People of Masan with an unsophisticated and strong personality are apt to get tired of the same people. I am the first to be elected to the National Assembly in Masan for three consecutive terms. I owe this largely to President Kim Yong-sam, the political giant from that region. However, things have changed a lot since President Kim was elected. The situation deteriorated as we went through the local elections. When one person is nominated as a candidate, all the rest who were dropped in the nomination become enemies. About 5,000 people in Masan did nothing but to go around heaping abuses on me for 10 days during the local elec-

tion. True, my popularity has suffered a lot, but not to the extent of barring reelection.

[So Myong-suk] Given the double-barreled arrangement of the system of presidential rule in person and the influential post of the party chairmanship, conflict is anticipated between you, secretary-general, as the president's agent, and Party Chairman Kim [Yun-hwan]. What would you do if a perception gap should develop between Chairman Kim and President Kim over the nomination of party candidates for the next election?

[Kang Sam-chae] In the recent selection of mid-standing party officials, there was no difference of opinion between Chairman Kim and me. To begin with, the interests of President Kim, Chairman Kim, and me coincide, that is, we have to win in next year's general election. When the general interests coincide, minor differences of opinion can be patched up easily. There is no need to worry about the nomination issue. The party will do the preliminary work and report the results to the president. However, ultimately, the power of nomination falls within the authority of the party president (President Kim). The president says he will take charge of electioneering for the general election in person. This is to be understood as meaning that he intends to take charge of the nominating process in person.

[So Myong-suk] They say that there have been various changes since the recent local elections, changes such as the adjustment of the pace of reform. Don't you think [the government party] has misinterpreted the reasons behind the soured public sentiments?

[Kang Sam-chae] In my opinion, the issue is whether we should stick to our original reform plans to the end, or continue to push for reform, but in a way adapted to the changing situation. With the illusion that the reform program pushed by the present government started on a zero base, the public wanted to see everything torn apart and mended. We for our part tackled reform in the same spirit. But in the past 2 years and 6 months we have come to realize that there is "something" that stands in the way of reform everywhere we turn. What the present government should do is raise issues and open the way for reform, and solve whatever problems it can during its tenure, leaving the rest to the next president. The decades-old conventions still exist as reality, and people should not have the illusion that our history just began when President Kim took office.

[So Myong-suk] Wasn't it President Kim and the core force of the UDP faction [in the DLP] that entertained that illusion?

[Kang Sam-chae] To be sure, we were strongly motivated, but in reality we were immature in methodology. Statecraft requires a lot of know-how. We have gone through the process of trial and error due to our lack of experience in government administration. We were short in our efforts to develop the kind of methodology which would win the sympathy of the public and which would make them follow the government's initiatives. Speaking of myself, while serving as chief of the DLP Office of Planning and Coordination last year, I keenly realized that statecraft is not an easy thing. In retrospect, there were many cases in which I made foolish decisions.

[So Myong-suk] You are known for your rather frank and straightforward personality. In the opinions of some critics, you are not fit for the post of general-secretary which needs the capacity for tolerance.

[Kang Sam-chae] To tell the truth, if I had not carried myself the way I did when I was a working-level party official, if I had behaved minding the step like an astute professional politician, I would not be what I am now. But from now on, I will have to give full play to my political ability and cultivate an ability to compromise and coordinate. It is impossible to change my image as a man of strong personality by plastic surgery, but I will bear myself prudently. Having said that, it is a kind of bias to think that the general-secretary of the government party should behave amiably. I want to be a general-secretary who intimately mixes with the public rather than a powerful desk-bound general-secretary.

[So Myong-suk] Your emergence as secretary-general is amplifying public concerns about the existing generational conflict. In the political world and the bureaucracy, there are increasing fears that "people over 50 years of age" may all fall into obsolescence.

[Kang Sam-chae] Some people pointed out that directly to me. I am really sorry to hear that kind of argument. Society can be harmonious when the young and the old get together. In my opinion, people in their fifties, the seniors, will form the main axle of the next generation, backed by the vigor of people in their forties and the statesmanship of those in their sixties. My debut simply means that people in their forties have now reached the point where they can perform useful functions.

[So Myong-suk] President Kim's use of your card may be interpreted as a double-barreled gambit aimed at the inside and outside of DLP. This is to say that it is a card directed at Kim Tae-chung (DJ) and Kim Chong-pil (DJ) to press for generational change.

[Kang Sam-chae] President Kim has repeatedly expressed his strong desire for generational change. I think

that this desire has found expression in my card. Of course, in my opinion generational change cannot be achieved arbitrarily. But I would say every leader has his own time. Politicians should clearly know when to begin and when to quit. I hope that the one will be remembered as a person who devoted all his life to democratization, and the other as a person who made a certain contribution to the modernization of our country, although some people think otherwise. I only hope that these two will not end up bringing on themselves the misfortune of being rejected by the public because of their personal ambitions.

[So Myong-suk] If President Kim really wants generational change, don't you think he himself should tackle the issue of selecting the DLP candidate for the next presidential election with generational change in mind, rather than calling for generational change in the opposition parties?

[Kang Sam-chae] In truth, I am nothing more than a trial balloon. **Given the attributes of the government**

party, however, choosing the next presidential candidate is a very delicate matter directly related to the lame duck phenomenon. It will be a problem if a person as powerful as the incumbent president should appear too soon. Nevertheless, in my opinion, the rough sketch of the likely candidate for the next presidency will emerge in the process of the next general election. If a coveted presidential candidate is found outside the party, he must be brought into the political world through the general election. While buried in the grass roots, he cannot debut as presidential candidate overnight. If you look at the lineup of nominees the president will select for the next general election, you will see what the president had in mind in making the selection. If the presidential candidate is to be chosen from among the party heavyweights who are being mentioned as likely candidates, they too should receive a meaningful measure of support in the general election.

Burma**SRV Interior Minister, Delegation Arrive**

BK2510143495 Rangoon Radio Myanmar in Burmese 1330 GMT 25 Oct 95

[FBIS Translated Text] A seven-member goodwill delegation from the Socialist Republic of Vietnam [SRV] led by Interior Minister Mr. Bui Thien Ngo arrived by air to Yangon [Rangoon] this evening at the invitation of Lieutenant General Mya Thinn, member of the State Law and Order Restoration Council and minister of home affairs.

The delegation was welcomed at Yangon International Airport by Home Affairs Minister Lt. Gen. Mya Thinn, Deputy Home Affairs Minister Colonel Tin Hlaing, and responsible personnel.

In the evening, Lt. Gen. Mya Thinn hosted a dinner in honor of the visiting minister and delegation at the Kyun Shwe War Hall in the People's Park.

Central Bank Governor Discusses IMF Aid

OW2610070095 Tokyo NIHON KEIZAI SHIMBUN in Japanese 21 Oct 95 Morning Edition p 7

[Report by Katsuhiko Iino]

[FBIS Translated Text] Yangon [Rangoon], 20 Oct — Myanmar [Burmese] Central Bank Governor Kyi Aye, in a 20 October NIHON KEIZAI SHIMBUN interview, said that the International Monetary Fund's (IMF) Board of Executive Directors has decided to provide assistance to Myanmar, and has submitted a proposal to the IMF's Board of Governors. This is the first time the IMF has formed a policy to assist Myanmar since the 1988 military coup took place in the country. It is said that the IMF appreciated the progress in Myanmar's shift to a market economy and the release of Aung San Suu Kyi, leader of the democratization movement, from house arrest. If the Board of Governors approves the proposal, Myanmar's change to a market economy is likely to be further accelerated, and the introduction of foreign investment will be spurred as well.

According to Kyi Aye, the proposal submitted by the IMF's Board of Executive Directors to the Board of Governors is a technical assistance program called the "Fund Monitoring Program," in which the organization will inspect Myanmar's economic situation and compile the necessary proposals for system reforms and funding.

If the Board of Governors, which will hold a meeting as early as within the next two weeks, approves the program, the assistance program for Myanmar will officially begin, and eventually open the way for financial aid to the country. Kyi Aye expressed confidence in the

Board of Governors' approval of the program, because 1) the program is "strongly pushed" by the Board of Executive Directors, and 2) Japan, Germany, France, Switzerland, and other countries support Myanmar.

Myanmar has been trying to eliminate its two exchange rates, which constitute one of the stumbling blocks for the introduction of foreign investment. It has asked for the IMF's assistance as a "safety valve," to prevent inflation, which is anticipated in the process of solving the two-rates problem. Having two exchange rates to the dollar — official exchange rate of 5.75 kyats, and the actual exchange rate of around 120 kyats — is "a little inconvenient for foreign investments" (as stated by Governor Kyi Aye). It also results in a radical reduction of the tariff rate in real terms.

While the Myanmar Government has clearly stated that it will aim at unifying the exchange rates, it was concerned that the forcible implementation of the unification policy would cause a steep increase in the prices of imported goods and would therefore bring about inflation.

Kyi Aye expressed his concern about the high rate of consumer price increases, which is 22 percent at present, and disclosed a plan to raise the intervention interest rate, which is 10.5 percent at present, to over 13 percent as early as next month to control inflation and to raise the savings rate. At the same time, the governor stated that the government takes the rice price increase seriously, and thus, "It has decided to put priority on the supply for domestic consumers and will export only surplus rice."

Brunei, Malaysia & Singapore**Malaysia****Mahathir Proposes UN Peace Enforcement Force**

BK2610094295 Kuala Lumpur Voice of Malaysia in English 0800 GMT 26 Oct 95

[FBIS Transcribed Text] The prime minister today proposed the formation of a United Nations Peace Enforcement Force if the world body's peacekeeping force was unable to protect the victims or people. Citing the atrocity in Bosnia-Herzegovina, he said the time had come for the international community to review the role of the UN Protection Force, Unprofor. He explained that Unprofor's inability to end the Serb aggression against the Muslims and Croats in Bosnia-Herzegovina is a massive slap in the face of the UN peacekeeping operations. It is no use sending a UN protection force if it does not protect the people as mandated.

He was opening the "Malaysia in the United Nations Peacekeeping Missions Exhibition" at the National Museum in Kuala Lumpur today. The two-month exhibition, organized to mark the 50th anniversary of the world body, aims to pay tribute to Malaysian policemen and soldiers who served in the UN peacekeeping operations beginning with the mission to Congo 35 years ago.

Parties Oppose France's Pacific Nuclear Tests

BK2610094195 Kuala Lumpur Voice of Malaysia
in English 0800 GMT 26 Oct 95

[FBIS Transcribed Text] Twenty-five Malaysian political parties today expressed concern over the effects of France's nuclear tests in the South Pacific.

In a joint meeting of the parties comprising the ruling coalition Barisan Nasional [National Front] and the opposition parties strongly condemned the resumption of nuclear tests. They described the tests as immoral and irresponsible act against humanity. The parties adopted a five-point memorandum, which among others, demanded that all nuclear powers stop all tests pending the signing of the Comprehensive Test Ban Treaty next year.

The resolution also wants the French Government to apologize to the people of South Pacific and compensate them financially. The parties want the French Government to set up a fund under the auspices of the United Nations to finance the rehabilitation of the people in the South Pacific.

The meeting was chaired by Prime Minister Datuk Sri Dr. Mahathir Mohamed. He later newsmen that it was the first time the political parties of various ideologies were united in taking a common stand on the issue of the French nuclear testing and production of nuclear weapons by other countries.

Editorial Says UN No Longer Credible Body

BK2510142895 Kuala Lumpur BERITA HARIAN
in Malay 25 Oct 95

[Editorial: "The UN is no longer credible" — received via Internet]

[FBIS Translated Excerpt] The United Nation's (UN) 50th founding anniversary was graced with condemnation by world leaders against the five-permanent member United Nations Security Council, which was said to have failed to protect the rights of the international community in a just manner. The five permanent members are namely the United States, Britain, France, Russia, and China. The source of their failure is due to their be-

ing given veto powers. [passage omitted on setting up of United Nations]

We heard world leaders expressed varying opinions regarding the UN yesterday. The UN received a stinging swipe in connection with its special stand given to the country that undertook efforts to form the organization — the United States. There is only one way now to save the UN, that is, through restructuring as proposed by Prime Minister Datuk Sri Dr. Mahathir Mohamed in his recent UN address.

It is of utmost importance that the reforms to the UN be made swiftly, so as to align itself with current developments and be in accordance with its present framework and increasing membership. Basically, all countries, irrespective of whether they are democratic or communist, are members of the organization. Their willingness to become members is sufficient evidence of their support for a peaceful world. However, the UN became somewhat troubled due to favors given to certain countries. The UN, which represents the world's five billion people, has been transformed into a more complex and bureaucratic organization.

If we ponder over UN achievements in the last 50 years, this has been merely a handful. How far can it maintain global security when conflicts occur continually? How is the UN able to contain conflicts through international cooperation and justice when countries empowered with the veto vote have failed to advocate justice? How far can the UN inspire social and economic development when countries which need assistance are suffering continuously? How much more can the UN do to create better ties among the international community when some countries are the 'masters' of global conflicts? Finally, how far can the world body encourage and advocate human rights and basic freedom when the decisions taken indicate that they fall short of credibility in upholding human rights?

Based on these rudimentary issues, we can unpretentiously say that the UN principles have been polluted by certain important countries. As for us, all nations should receive unequal respect in connection to their sovereignty status. The principle which affords all nations the right to be heard and cast their votes have been brushed aside. The principle which emphasizes noninterference in one another's internal affairs has been continuously and blatantly violated. Also, the principle which forbids certain countries to refrain from using force to solve issues has not been adhered to. On the other hand, the major powers have the discretion in settling all issues. However, a country should adhere to the ban on the use of weapons if such a ban is desired by the international community.

For us, the UN is no longer credible. It is incapable of maintaining international peace and security through diplomacy. It has failed to preserve peace, particularly in the disarmament process as a way to provide a guarantee that the two sides or the country which desires peace is protected after a conflict. The organization has also failed to enforce peace through its troops under the UN banner. It also failed to prevent upheavals or conflicts from escalating.

Cambodia

FUNCINPEC, CPP Agree To Share Power

BK2610105695 Phnom Penh PHNOM PENH POST
in English 20 Oct-2 Nov 95 pp 1, 3

[Report by Jason Barber]

[FBIS Transcribed Text] Funcinpec [National United Front for an Independent, Neutral, Peaceful, and Co-operative Cambodia] is to be given an equal share of power in local district authorities throughout Cambodia under a deal with the Cambodian People's Party [CPP], according to senior Funcinpec officials.

The move — breaking CPP control of districts — would be the first upheaval in the balance of power since provincial governorships were divided between the two parties after the 1993 election.

It would be followed by the already-announced election of commune officials by villagers in early 1997.

But instead of similar elections for district chiefs and staff — who rank between commune and provincial authorities — CPP and Funcinpec will allocate the positions between themselves.

CPP has agreed in principle to a 50/50 division of district-level officials, according to Funcinpec Secretary-General Prince Norodom Sirivut and co-Minister of Interior Yu Hokkri.

The final division of districts is being negotiated by Hokkri and his CPP co-Minister, Sar Kheng.

Sirivut, who referred to the deal at an October 17 press conference, said he hoped a full agreement could be reached by the end of the month.

He said Hokkri and Kheng were negotiating over a proposal from CPP and another from Funcinpec.

Sirivut — who has repeatedly urged Funcinpec to seek a real 50 percent share of power in Cambodia — said he had first proposed the deal in February.

"This is a big issue. And to my knowledge, there is a good compromise, but I would like to say that we cannot wait..."

"We must finalize absolutely how to share the districts between Funcinpec and CPP... our grassroots cannot wait any longer."

Hokkri confirmed the deal, which he said had been agreed in principle with CPP "three or four months ago."

Sar Kheng had recently provided a list of districts where the CPP wanted the position of district chief to remain in CPP hands.

Funcinpec had submitted its own list and Hokkri said he was now "working out the details" with Sar Kheng.

Hokkri said he envisaged a straight-forward division of districts. In a province with eight districts, four district chiefs would be appointed by Funcinpec and four by CPP.

Districts with Funcinpec chiefs would have a CPP deputy chief, and vice versa, in line how the parties had divided up provincial governorships.

Asked when a final agreement would be made, Hokkri said: "That's up to CPP. I have no timetable but I expect the answer from CPP quite soon."

An aide to Sar Kheng declined comment, referring inquiries to another assistant who could not be contacted for comment.

Political observers contacted by the Post gave mixed views about the apparent deal.

One said it had been "inevitable" that district power would have to be shared at some stage. The deal had probably been eased by Funcinpec and CPP's recent talk of the coalition government continuing after the next general election.

Another observer questioned whether CPP would readily agree to all that Funcinpec seemed to want saying that the deal "looks great on paper—but what's the price?"

Sieng Lapresse, Secretary-General of the Ieng Muli Buddhist Liberal Democratic Party [BLDP] faction, said the BLDP would want a slice of any such deal.

Meanwhile a Funcinpec congress planned for early November has been delayed till February or March for reasons Sirivut maintained were purely "technical."

Party Leaders View Reconciliation With Faction

BK2610101295 Phnom Penh PHNOM PENH POST
in English 20 Oct-2 Nov 95 p 2

[Report by Jason Barber]

[FBIS Transcribed Excerpt] The police have not made much progress in their investigation into the grenade

attacks on the eve of Son Sann's congress, according to co-Minister of Interior Yu Hokkri.

"We have no clues," Hokkri said this week. "Clues are being really hard to find."

He said the police were trying to locate witnesses to the attacks, and had spoken to some.

Asked whether the police had descriptions of the grenade throwers, he said there was some "controversy" over what they looked like.

Hokkri confirmed that some witnesses said one of the attackers had long hair and was possibly a woman, but he declined to provide any further description of the people the police were looking for.

"I would not want to make any further comment on that. I think I would like the police to work a little farther first." [passage omitted recalling the grenade attacks]

Son Soubert, the National Assembly vice-president and son of Son Sann, said last week the police had told him nothing about their investigation.

Soubert urged the government to ensure a serious inquiry into the grenade attacks, even if it led to "high-ranking people."

"It is a question of credibility of the government — are they just going to pay lip service or are they really serious in protecting the security of our people?"

Meanwhile, the Son Sann faction is appealing to the government to help reconciliation of the fractured BLDP [Buddhist Liberal Democratic Party] by staying out of its internal affairs.

BLDP MP and Son Sann ally Koem Sokha said his message to the government was "don't worry about us...we don't want to destroy the country, we don't want to destroy the government."

Son Soubert said he wrote to Ranariddh asking him to meet representatives of the Son Sann group.

Soubert and Sokha said there was little prospect of reconciliation with the rival BLDP faction of Ieng Muli unless the Prime Ministers withdrew support for Muli.

Soubert said that, if reconciliation were not possible, he saw no reason why there could not be two BLDPs.

He cited India's Congress party and Australia's Labour Party, which had both at times split into two parties with the same name, "and why can't we do that?"

Muli, meanwhile, said he would continue to maintain that Son Sann's October 1 congress was illegal and that his was the only legitimate BLDP.

On Son Sann using the name of BLDP, he said: "We continue to complain to the authorities, to complain to the other parties and if we have to go to court, we will go to court.

"It's the matter of recognition by other parties, by CPP [Cambodian People's Party] and Funcinpec [National United Front for an Independent, Neutral, Peaceful and Cooperative Cambodia]. If they recognize them [Son Sann's faction] as BLDP, of course we cannot be."

Sokha dismissed the possibility of a merger of Son Sann's BLDP group and the new party planned by Sam Rangsi. "We want to cooperate with Sam Rangsi but we don't want to join together."

He added that he preferred there were as many new parties as possible, so the government did not focus solely on Sann's BLDP group.

Son Sann supporters rejected the suggestion — from Second Prime Minister Hun Sen — that the group had military forces which could be a threat to the government.

Hun Sen is said to have told a Council of Ministers meeting that, on the night of the grenade attacks, he had received reports that armed forces controlled by Son Sann were heading toward his house, and that of Muli.

Kiet Sokun, Son Sann's Secretary-General, said he had told Hun Sen that "it seems someone has been twisting" information given to him.

"We have no troops," said Sokun.

Koem Sokha said: "If we had some forces, we could have done something for our own security that night."

Khieu Samphan Discusses PGNUNS Efforts

BK2610070595 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia 2330 GMT 25 Oct 95

[Interview with Khieu Samphan, "prime minister of the Provisional Government of National Union and National Salvation," by an unidentified station correspondent; place and date not given — recorded]

[FBIS Translated Text] [Correspondent] My greetings to Your Excellency, the party chairman. In your interview the other day, you recalled the specific activities carried out by the Provisional Government of National Union and National Salvation [PGNUNS] since communist Vietnam's invasion of Cambodia. You said that PGNUNS has made all kinds of efforts to foster national ideals and achieve great national union but not to wrest

back power. Why do you and PGNUNS continue with this sacred great national union ideal?

[Khieu] We have all seen already the grave seriousness of the national and social problems. The 16 or 17 years of communist Vietnam's war of aggression is continuing, with no end yet in sight. As for the alliance, it has come and colluded with communist Vietnam in order to give premature birth to the two heads, with the purpose of using them as tools to continue fueling the communist Vietnamese war of aggression to kill our nation and people.

Communist Vietnam has wolfed down and swallowed chunks of our territory in the east, including the dragon's tail region, seas, islands, and underseas. Over 4 million ethnic Vietnamese have flowed in and snipped at Cambodia. They continue to flow in ceaselessly every day. Our nation and people have been devastated in an unspeakable manner. They have been totally deprived of forests, farm land, and cattle. They have even been starved to death by the millions. This is unprecedented in Cambodian history.

Our people have been leading a vagrant and miserable life in an ocean of suffering. Some have migrated to Phnom Penh or provincial towns with their children to live wretchedly as beggars. They have been looked down on and persecuted. Cambodian children who have been separated from their parents are homeless. They have, in the most tragic manner, become the fodder of the two-headed administrators and international brigands, who have caught and sold them to gratify the evil foreigners' lust. Our Cambodian race is also in the process of being eradicated by AIDS.

Communist Vietnam, the alliance, and the two heads—the communist Vietnamese lackeys—are in the process of killing our nation and people through a military war, through the Vietnamese demographic war, and through the wholesale robbery of our people. They are also killing them with the most fascist, barbaric, and cruel actions by sowing vices, AIDS, and all kinds of social diseases to pollute and degenerate our national community. They are killing our nation and people and exterminating our race in a very serious manner.

The persistent call by our nation, people, and children is that the great national union forces should be restored, that no political colors should be separated, and that struggle should be waged to quickly end the communist Vietnamese war of aggression, thus saving the nation and race. Each Cambodian is now responsible for his own conscience, his own nation, his own race, his own children, his own grandchildren, his own great grandchildren, and our nation's history.

Given the grave seriousness of national and social problems, no single national force has sufficient strength in itself to solve the problems. Only by uniting all of the national forces without political discrimination can there be enough strength to solve them. Without great national union, the nation will die; with great national union and with an end to the war, the nation will survive. This is why the PGNUNS political program objectives and statutes are to further uphold the great national union above all; that is, the union is unwaveringly venerated under all circumstances—in the past, at present, and in the future.

[Correspondent] What is the shape of the great national union force now?

[Khieu] The shape of the great national union force has now become more distinct. Our nation's and people's demand for national reconciliation and an end to war has become a heaven-and-earth shaking struggling force. Struggle is being carried out in the rural areas and cities by peasants, journalists, students, laborers, and traders. Personalities from all political circles in Phnom Penh, as well as overseas Cambodians, are also struggling. They are struggling more cooperatively to protect their own lives and to defend their nation and race in a valiant and courageous manner. More than ever, the great national union force has become and is rapidly growing larger. It is zealous and terrifying to communist Vietnam, the alliance, the two heads, and Hun Sen, who is the top leader of communist Vietnam's goons.

[Correspondent] Your Excellency said that political personalities inside and outside the country are now struggling. Could you elaborate on this?

[Khieu] First, those personalities are nationalist. They never want communist Vietnam to wolf down and swallow Cambodia, or Cambodia to become a second Kampuchea Kraom [ancient Cambodian territory lost to Vietnam in the 17th century].

Second, they never want the very fascist, corrupt, nation-betraying, and nation-selling two-headed regime. They have seen more clearly that the incumbent two-headed regime is a regime completely controlled by communist Vietnam and its puppets. The regime, which is so fascist and dictatorial, belongs to the communist Vietnamese, who have not only arrested, jailed, or killed the people, masses, and journalists to destroy evidence, but have also liquidated the forces or those who are not communist Vietnamese elements and who refuse to act as a communist Vietnamese puppet. They are eliminating them or constantly threatening their lives, causing them and their families to live in fear.

Third, they have more clearly seen that this war is a communist Vietnamese war of aggression. The war enables communist Vietnam to wolf down and swallow Cambodia and to further assume monopolistic, dictatorial, and fascist control over the entire Cambodian nation and people, including themselves.

This war is killing or most severely ruining our nation and people. So they want to end the war and to terminate the most fascist, corrupt, nation-betraying, and nation-selling regime. They need national reconciliation that allows Cambodia to regain independence, sovereignty, peace, national unity, and territorial integrity. They have clearly seen that only with an end to the war and the achievement of national reconciliation can all reunite to rebuild the nation, allowing it to reach equality with other countries—like the ASEAN states—within a regime of liberal economics and democracy. So it can be said that all of the national forces are conducting a tenacious and constant struggle according to their own conditions. They are aiming at the same goal, however; that is, they all want to end the war and achieve national reconciliation. The situation is evolving in that direction; nothing can stop it.

Indonesia

Suharto Stresses South-South Cooperation

BK2610045095 Jakarta ANTARA in Indonesian
1823 GMT 25 Oct 95

[FBIS Translated Excerpt] New York, 25 Oct (ANTARA)—President Suharto has said that co-operation among developing countries, known as South-South cooperation, will boost their confidence and self-reliance so that they draw support from developed countries.

"When all nations are self-reliant, there will be a commitment to wider common responsibility to build a new world that brings happiness to all people," Suharto said in New York on Wednesday morning, or Wednesday night West Indonesian Time, prior to handing over a joint statement on population signed by 75 countries to UN Secretary General Butrus Butrus-Ghali. He said that cooperation in population development is one the areas of cooperation that should be promoted among developing countries.

Present at the ceremony were: Nafis Sadik, executive director of the UN fund for population; Madame Tien Suharto; Indonesian Foreign Minister Ali Alatas; Mardiono, Indonesian minister of state and state secretary; and Haryono Suyono, Indonesian minister of state for population.

Suharto said: "It is good to learn from each other; more importantly, all developing countries can and should learn from each other."

He is in New York in conjunction with the commemoration of the UN 50th anniversary.

This cooperation on population is led by the Rockefeller Foundation and several financial institutions, with the objective of linking developed and developing countries.

"We are sharing our experiences in population growth with not less than 2,500 senior officials and volunteer workers from 84 countries," Suharto added.

Included in the joint statement is a consensus that the time has come for the international community to create stability in the area of population.

"We are urging all heads of states to be active in personally launching effective policies on population growth. The priorities are on women, respect for human rights, and the active participation of women in organizing various programs," the heads of the 75 countries said in the joint statement.

The joint statement was signed by leaders from countries like Austria, Bangladesh, the People's Republic of China, Grenada, Israel, Indonesia, Japan, South Korea, North Korea, Romania, Rwanda, and Thailand. [passage omitted]

Alatas on Role of NAM Caucus, Group of 16

BK2510051695 Jakarta ANTARA in Indonesian
1419 GMT 24 Oct 95

[FBIS Translated Excerpt] United Nations, New York, 24 Oct (ANTARA) — Indonesian Foreign Minister Ali Alatas has said that the Nonaligned Movement (NAM) caucus (NAM member countries that are members of the United Nations Security Council [UNSC]) cannot always implement their objectives smoothly because they are sometimes pressured by the council's major powers.

"The mission they must carry out is not easy because officials are sometimes under pressure, and there are different visions, interpretations, and foreign policies among the NAM caucus member countries," Alatas said after attending a NAM caucus meeting at UN headquarters in New York on Monday afternoon. [passage omitted]

Improving

Alatas said that cooperation and cohesion among caucus member countries has increased, despite the pressure by UNSC permanent members and the different views among member countries of the NAM itself.

Furthermore, cooperation and coordination with other UNSC members and NAM member countries that are not UNSC members are improving continuously, such that the NAM caucus has carried more weight in the council's decisionmaking—both in quality and quantity.

On the NAM caucus meeting chaired by President Suharto, Alatas said that Colombian President Dr. Ernesto Samper Pizano attended the meeting in his capacity as NAM's new chairman, and it proceeded smoothly and was conducted in a most friendly manner. At the meeting, leaders of the NAM caucus exchanged ideas on various international issues, such as the conflicts in Bosnia, Rwanda, and issues related to the UNSC. Finally, the meeting issued a joint press communique.

One of the communique items says: The heads of state and government of the NAM caucus member countries support efforts to expand UNSC membership and emphasize the need to improve the working methods and effectiveness of one of the UN's primary agencies.

Another communique item stresses the need to increase coordination between the UN General Assembly and the UNSC in order to implement their international security and peacekeeping functions.

The communique also reiterates the NAM caucus' commitment to continuously play an active role in UNSC negotiations and decisionmaking to enable the council to function in accordance with the mandate of the UN Charter.

Group of 16

Alatas also told journalists on Monday morning that Suharto attended a meeting with 16 heads of states and governments, which focused special attention on the reform and restructure of the United Nations.

One of the decisions agreed to at the Group of 16's meeting was on convening a meeting in December of the personal representatives of the group's heads of states and governments.

The personal representatives of the Group of 16's heads of states have conducted four rounds of meetings thus far, and Dr. Emil Salim, former minister of state for demography and environment, represented Indonesia's head of state.

Sweden initiated the formation of the Group of 16; its membership is comprised of countries from various regions—including Indonesia from the Asian region. [passage omitted on Warren Christopher's speech on expansion of permanent membership of UNSC]

Rights Commission Reacts to Statement on E.Timor
BK2610101695 Jakarta REPUBLIKA in Indonesian
26 Oct 95 p 11

[FBIS Translated Excerpt] Jakarta — The National Commission on Human Rights is paying serious attention to the Portuguese president's statement at an international forum that touched on the East Timor issue. The commission held a coordinated meeting to discuss the East Timor issue as a special article at the Office of the Coordinated Minister for Politics and Security in Jakarta yesterday.

Marzuki Darusman, member of the commission, said at the meeting it was agreed that the East Timor issue would be resolved internationally as long as Portugal does not dig up grievances.

"Actually, Portugal's internal problems is the key problem to the international community," Marzuki said.

Recently, Portuguese President Mario Soares said before the UN forum that the decolonization process in East Timor had been over since August 1975 by Indonesia.

Marzuki said that Portugal used to request that Portuguese be made the official language of East Timor. "The request is clearly not rational. Perhaps it would not be an issue if Portuguese was used as a common language only," he said.

Marlano Lopez Da Cruz, first assistant to East Timor's level one district secretariat, said the Portuguese president's statement had deviated from the common course that the Indonesian and Portuguese Governments are committed under the UN secretary general's patronage. "I must express my deep regret over the Portuguese president's statement," he said to journalists yesterday.

Lopez said that the current decolonization process in East Timor is not running smoothly and continues to encounter obstacles. There is also an element that is encouraging the outbreak of civil war in the province. When the Portuguese Government abandoned East Timor in August 1975, it was in a state of civil war.

"If the Portuguese Government claimed that Indonesia has ended the decolonization process in East Timor, is not true. I know about the incidents precisely, in chronological order," Lopez said.

Marzuki told the closed-door meeting, which was attended by seven members of the National Commission on Human Rights, that this is the best time for dialogue between the commission's members and the government. A similar meeting is expected to be held once

every two months to discuss issues related to human rights violations in Indonesia.

Marzuki said the commission has asked the government to review its policy on East Timor. This is one of the ways to settle the problem in the youngest province of Indonesia. "Our proposal for the creation of an inter-religions Communications Forum has been realized, but it is also important to set up a political communications forum between the people and the government," he said.

Marzuki said that the commission has stressed to the government the importance of rebuilding the people's confidence to communicate with the government.

"This communication is very important because in order to develop East Timor, we cannot isolate ourselves in other districts. Although the Integration Law No.7/1976 states that development in East Timor is to be implemented in a special way due to the condition of the province, this does not mean that it should have an autonomy." [passage omitted on development stages in East Timor]

Dailies View UN Problems, Need for Reform

BK2510143595 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 25 Oct 95

[From the press review]

[FBIS Translated Text] SUARA KARYA believes that President Suharto's speech at the UN General Assembly is based on the preamble of the 1945 Constitution, which stipulates that Indonesia's independence is also aimed at creating a world order based on lasting peace and social justice. The Indonesian people's ideal of a democratic and peaceful world order is also in line with the UN's existence as enshrined in the UN Charter. Therefore, Indonesia has no other option but to continue to support the UN and to make efforts to enhance its effectiveness. The UN must avoid the mistakes of the League of Nations, which failed to stop the outbreak of the second World War. In this connection, Indonesia's initiative to restore the UN credibility at the 10th summit of Nonaligned Movement nations in Jakarta in 1992 constitutes a strategic move to enhance the organization's effectiveness.

REPUBLIKA says it is high time to review the composition and role of the UN Security Council on the occasion of its 50th anniversary. The issue of the UN Security Council's permanent membership must also be discussed at every UN General Assembly session. REPUBLIKA believes that a lot of hard work is needed to reform the UN but it is necessary to make strenuous efforts to enable the establishment of a new world order based on justice. It must be admitted that we face

an uphill struggle in our efforts to reform the United Nations if the world body remains in its present shape.

Philippines

Ramos Chides Officials for Anti-U.S. Statements

BK2610053595 Quezon City Radio Filipinas in English 0230 GMT 26 Oct 95

[FBIS Transcribed Text] At the United Nations, Philippine President Ramos delivered a blistering attack against First World countries for shutting out poor countries in the world market and against the United Nations for ignoring the development agenda. President Ramos spoke at the UN Special General Assembly for its 50th Anniversary. He said peace cannot grow in any society gripped with poverty and misery.

President Ramos meanwhile, ordered congressmen back home to shut up and quit issuing anti-American statements while he is in the United States. Congressmen Edcel Lagman, Bonifacio Gillego, and Gregorio Andolana had criticized President Ramos for his anti-Chinese statement as they urged the president to bare any hidden agenda for raising Chinese bogey.

Speaker Jose De Venecia who also attended the UN anniversary rites called up Majority Leader Rodolfo Albano to tell the three solons not to do anything that would jeopardize the president's US visit. The three solons had raised suspicions on a possible link between the present's recent warning against the growing threat to the region China poses, and government's plan to grant US military access to Philippine airports and seaports.

In his address at the UN, President Ramos also assailed developed nations for closing their doors to foreign workers and raising export barriers in the name of environment and labor standards. He also joined in the call for expanding the UN Security Council and putting the world body's finances in order.

Manila Opposes Rice Inclusion in APEC Plan

BK2510123195 Manila PHILIPPINE DAILY INQUIRER in English 21 Oct 95 p B1

[FBIS Transcribed Text] The Philippines and four other Asia Pacific Economic Cooperation (APEC)-member nations are opposed to the inclusion of rice in the areas of cooperation in the Pacific rim.

Trade and Industry Assistant Secretary Edsel Custodio said these countries, except the Philippines, will bring up this position during the APEC Summit in Osaka, Japan, on November 18 where the action plan for cooperation will be signed.

Custodio said the Philippines would not articulate its objection during the Osaka Summit in deference to its being the host of the next APEC Summit in Manila next year.

"But our position on this issue is nonnegotiable," Custodio said. He added the Philippines invoked the exclusion of rice based on food security issue in the country.

The other countries that opposed the inclusion of rice in the areas of APEC cooperation were Japan, Korea, the People's Republic of China, and Taiwan.

The Osaka Action Agenda is a framework document that will guide APEC members in drawing up their respective programs of liberalization and facilitation. The programs will also include economic and technical co-operation support programs that the member-countries will take unilaterally and collectively in the medium to longer term to achieve "free and open trade and investment" by the year 2010 and 2020.

Custodio said there will be at least 12 action plans in specific areas such as human resources development, industrial science and technology, small and medium-scale enterprises, energy, transport, communication and information, tourism, trade and investment data, trade promotion, marine resources conservation, fisheries, and agricultural technology.

Liberalization and facilitation measures will focus on the areas of tariff, services, standards and conformance, investments, customs and procedures, intellectual property rights, competition policy, government procurement, dispute mediation service, deregulation, rules of origin, mobility of business people, Uruguay Round implementation, and information gathering and analysis.

APEC liberalization and facilitation covers a 20-year time frame for developing countries and 10 years for developed economies.

Cebu Listed as Major Drug Transshipment Point

BK2610093995 Manila PHILIPPINE DAILY INQUIRER in English 24 Oct 95 p 20

[Special report by Connie E. F. Solon]

[FBIS Transcribed Text] Cebu City — The problem of international drug trafficking in the country — with Central Visayas as one of the major transshipment points — has gone from bad to worse.

As early as 1992, the Dangerous Drug Board listed in its annual report that Cebu City is the staging point for drug distribution to urban centers in Eastern and Western Visayas, and Northern and Central Mindanao.

These areas are, in turn, the exit points of drugs coming from Hong Kong, Malaysia and Taiwan.

Three years have passed, and the problem continues. Worse, it has spread to other areas in the region, like Bohol.

This time, it was no longer just shabu [methamphetamine hydrochloride] or marijuana, but cocaine following the recent discovery of P[Philippine pesos]21 million worth of the banned drug at a lodging house in the sleepy town of Ubay, Bohol.

Drug trafficking in the country is already a "mega-business," said Chief Insp. Alberto Patrimonio, Narcotics Command [Narcom] director for Central Visayas, in a report to the Cebu Provincial Board on 29 September.

Patrimonio said international drug syndicates employ about 3,000 members, catering to 600,000 users and pushers. No wonder, his report said, that half of the country's crimes are drug-related.

Patrimonio identified the five international drug rings operating in the Philippines as the 14-K, United Bamboo gang, the McLean group, a Nigerian group and a Filipino syndicate.

The 14-K is based in Hong Kong and specializes in smuggling shabu into the Philippines. The United Bamboo gang is Taiwan-based and engaged in shabu trafficking in Cebu, Metro Manila, Caloocan City and Davao.

The McLean group is composed of Australians who regularly smuggle out high-grade marijuana bricks and derivatives, such as hashish and hashish oil.

The Nigerian group smuggles heroin from Southeast Asia to the US and Europe through a series of stop-over flights to avoid detection by airport authorities.

All of them use different criminal tactics. They either use a courier or hide the goods inside body wrap, ingestion, cavities, leg casts and even bodies of children.

Others utilize false bottoms of luggages and compartments, imported packages, toothpaste tubes and clothing.

They also use legitimate container cargo and air freight services to transport the drugs abroad.

The drugs usually come from the so-called "golden triangle" - Burma, Laos and Vietnam — where cocaine is manufactured. In the case of shabu, the source is China and Hong Kong.

The goods enter the Philippines as transshipment point and are sent again for delivery to their actual destinations, usually in the United States or Europe.

Cebu, with its international air and sea ports, is a major transshipment point or diversionary route in international drug traffic.

Oscar Mabilog, chair of the Cebu City Office for Substance Abuse Prevention, said drug traffickers usually use experimental routes when their transshipment routes become known to authorities.

With strong local anti-drug campaign and strict police surveillance in Cebu, drug traffickers look for alternative routes: sleepy towns where police enforcement is weak and grease money changes hands without detection.

"They prefer a place where it is far away from the eyes of the police," Mabilog said. "Besides, it is cheaper to bribe (police and officials) in the towns than in the cities," he said.

Mabilog said the main reason for the failure to stop drug trafficking can be traced to government itself. Law enforcement is inadequate and uncoordinated, he said.

"There is intra-unit rivalries between government agencies. The drug pushers are laughing while officials fight among each other on who gets the glory," Mabilog said.

He cited case of Ubay Mayor Eutiquio Bernales who refused, out of mistrust, to turn over to the Central Visayas Narcotics Command the cocaine uncovered by his town's police last month.

The mayor wants the drug kept in Bohol, and even be burned there, rather than send it to Cebu where it could be "switched" with fake powder.

To Mabilog, the issue is: Who gets the credit?

The "greed for credit," he said, "has unduly affected a number of legitimate narcotics operation."

He also cited corruption in the judiciary and in Narcom itself as hampering the campaign against drugs.

Policemen protecting drug lords and pushers continue despite efforts of PNP [Philippine National Police] authorities to weed out scalawags in the unit.

Only recently, Mabilog received a letter from a concerned resident, informing him that a police officer in Cebu City is protecting a drug pusher.

Despite the millions of pesos of drugs believed to be passing through the region, the Narcom regional office's arrest record from January to September this year only stood at 137, mostly users. So far, only five were convicted for violating the Dangerous Drugs Act or Republic Act No. 6425.

Total seizure so far has been P8.8 million worth of marijuana and P1.6 million worth of shabu.

In his report, Patrimonio admitted the connivance between drug traffickers and law enforcers. He said more efforts are needed to stop lawmen from engaging in the drug trade and from protecting drug syndicates.

Military, MILF Forge Pact in Maguindanao

*BK2510114295 Manila MANILA BULLETIN
in English 22 Oct 95 p B-6*

[Report by Ali G. Macabalang]

[FBIS Transcribed Text] Cotabato City — Moro Islamic Liberation Front (MILF) and military leaders have reached an agreement calling for an end to hostilities in a Maguindanao town that had claimed lives and stalled a road-concreting project linking two Muslim provinces, it was reported yesterday.

Maguindanao Gov. Zacaria Candao, peace negotiator, said that a "comprehensive accord" was forged during the third round of MILF-AFP [Armed Forces of the Philippines] meeting last Thursday in Matanog, Maguindanao, a site of a government project which was abandoned by military engineers because of the MILF-Army clashes.

Candao did not divulge the terms and conditions of the accord, saying that both the MILF and military panels would present it to their superiors before it is circulated.

The agreement replaced the "preliminary accord" signed by the two camps last October 9. The past accord collapsed when MILF and Army forces traded mortar shells last Wednesday. No casualties were reported although many Matanog residents fled their homes.

During the third MILF-AFP panels meeting last Thursday, gunfires also burst in the area, but still no casualty was reported.

Candao said the two panels have committed adherence of their forces to a cease-fire to allow the completion of the Maguindanao-Lanao del Sur highway concreting project.

He quoted Sammy Gamba, MILF deputy chief of staff, as saying that he "incarcerated" a follower who went berserk and fired his grenade launcher early this week in Matanog.

Gamba headed the rebel panel during the Thursday dialogue. His members were Mike Anggo and Ustadz Abuhalil Yahya. The military panel was headed by Col. Rodolfo Garcia, chief of the Army's 603rd Infantry Brigade.

The new agreement called for the return to Matanog Town of the 52nd military engineering brigade so it could continue the road-cementing project.

The stalled Matanog road-paving project is part of the 38.7-kilometer section being cemented by two military engineering brigades and five civilian contractors on the 147-kilometer Maguindanao-Lanao highway.

The whole project is funded with more than P[pesos]200 million from the 1992 and 1993 "seed money" of the Autonomous Region in Muslim Mindanao [ARMM] and is being planned for inauguration by President Ramos on November 6 in time for the ARMM's 5th Foundation Day.

ARMM Gov. Liningding Pangandaman lauded yesterday the forging of the accord, saying "we are very happy about it."

In a radio interview, Candao said that other "comprehensive agreement" will also be forged this month or next month between the MILF and the military in Sultan-sa-Barongis, South Upi, Ampatuan, and nearby towns where both groups clashed recently.

Thailand

Prime Minister Comments on U.S. Narcotic Charges

BK2510112395 Bangkok Radio Thailand Network in Thai 0530 GMT 25 Oct 95

[FBIS Translated Text] Prime Minister Banhan Sinlapacha said that during his meeting with U.S. President Bill Clinton, the U.S. President apologized for not being able to visit Thailand. However, the U.S. President hoped that they would meet again during the upcoming APEC meeting in November.

Regarding news reports that the United States has accused Thailand of being involved in narcotics trading, the prime minister said the published reports are overly played up and this is sometimes adverse. Thailand's participation in the United Nations meeting shows that it cooperates with the United States, and even increases its confidence in Thailand. What has happened does not involve governments but individuals.

Asked if what has happened is done by Thai people, the prime minister told reporters to consider it themselves.

Asked why there have been more news about people being involved in drug trading during the tenure of the present government than the previous one, the prime minister said this has not happened only during this administration but also previously.

U.S. Should Stem 'Domestic Demand' for Drugs

BK2610043295 Bangkok BANGKOK POST in English 26 Oct 95 p 7

[Unattributed report]

[FBIS Transcribed Text] Thailand cannot deny it is a drug-trafficking centre but America should act to stem domestic demand, Chat Thai secretary-general Sano Thianthong said yesterday.

Thailand had that dubious distinction because major producers are in neighbouring Burma and Laos, said Mr Sano, the Public Health Minister.

"But it is most important to control those who place orders for drugs, who are mostly from the US," he said.

"The Government is serious about the matter and wants America to understand us and not only blame us."

A significant budget had been invested in suppressing drugs and various state agencies were working together against traffickers, he said.

"We emphasise controlling the misuse of chemicals that are processed into drugs, including amphetamines," he said.

Thailand did not want to be involved in trafficking but certain groups, including foreigners, wanted to make easy money in the country.

Ministry Spokesman Addresses Drug List Issue

BK2610053095 Bangkok THE NATION in English 26 Oct 95 p A 1, 3

[Unattributed report]

[FBIS Transcribed Text] Washington yesterday denied Thailand was named by President Bill Clinton in his speech to the United Nations and in the executive order he issued warning countries which tolerate money laundering of possible US trade sanctions.

The denial was conveyed directly to Deputy Prime Minister Amnuai Wirawan and Foreign Minister Kasemsamson Kasemsri, who are accompanying Prime Minister Banhan Sinlapacha to the 50th anniversary celebrations of the United Nations. The same message was conveyed to the Foreign Ministry and to Government House in Bangkok.

US officials also denied that there was a list of countries being targeted by the US. They, however, admitted that one of the President's aides had given his opinion which countries could be the target of US sanctions for money laundering, and had included Thailand.

In the statement sent to Government House yesterday, the US Embassy said Clinton had called on the United Nations to cooperate in fighting the worldwide problems of organized crime, drug trafficking and money laundering.

US Assistant Secretary of State Robert Gelbard later told a press conference that some countries in the Caribbean, Latin America and Southeast Asia were reported to tolerate money laundering.

The same statement said the president had separately issued an executive order under the International Emergency Economic Powers Act which was aimed at the Cali drug cartel in Colombia, not Thailand.

Thailand was included in a list of countries which "fully cooperate with the US" or were committed to the 1988 convention on the trafficking of drugs and illicit substances.

"In neither the President's speech nor in the executive order is Thailand mentioned," the statement said.

Washington's statement was prompted by a request for clarification from Bangkok following a report from Reuter's news agency, which quoted a US official as saying Thailand was on a list of 12 countries being targeted for sanctions.

In Bangkok, Foreign Ministry spokesman Suwit Simasakun said Thailand has been officially recognized by the US government and President Clinton as a cooperative partner in suppressing illegal drug activity. It was agreed that Thailand had fully abided by the 1988 international convention against drug trafficking, he said.

Suwit told a press conference Clinton had not named any countries when he told the UN forum on Sunday that economic sanctions would be imposed against countries which tolerate money laundering.

Clinton also instructed the US state department, treasury and the attorney general to identify and put on notice countries that tolerate illicit money movements and do not adopt measures to eliminate money laundering and other financial crimes.

Suwit said subsequent reports that identified Thailand as one of the countries likely to face sanctions were "pure speculation by some media agencies that have done some additional interpretation [of Clinton's statement]."

Foreign Minister MR Kasemsamoson Kasemsi and Deputy Permanent Foreign Secretary Sarasin Wiraphon, who accompanied Prime Minister Banhan Sinlapa-acha to the UN's 50th anniversary celebration in New York, had been assured by US officials that Thailand was not mentioned as a target of US sanctions, he said.

"The US president's speech did not mention Thailand at all. Thus it can be assumed that the rumours stemmed from pure speculation by some media agencies that have done some additional interpretation [of Clinton's statement]," he said.

Asked whether the government would take any steps against those news agencies that filed the reports, Suwit said it would first have to be decided whether the action was "deliberate, or a professional error."

Suwit said Thailand had taken several anti-narcotics measures, including an attempt to pass a bill to deal with money laundering. The progress of the bill had been recognized by the international community, including the United States.

Suwit said there were many other countries in Southeast Asia besides Thailand and Gelbard's statement did not necessarily mean the Kingdom was targeted.

He said the draft money laundering bill was currently awaiting re-introduction to the Parliament. The bill lapsed automatically when the House was dissolved early this year by former prime minister Chuan Likphai.

The US was satisfied with Thailand's anti-drugs activities and had recognized its efforts, he said. On March 1, 1995 President Clinton had certified Thailand as among those countries that had closely cooperated with the US in combating the illicit drugs trade.

A press statement issued by the US Embassy yesterday said US Vice President Al Gore made it clear to Deputy Prime Minister Amnuai Wirawan during their meeting on Oct 23 that the "US highly values its very productive cooperation with Thailand in a wide variety of areas including counter narcotics".

Suwit said Banhan and his high-level delegation to the UN had been warmly welcomed by Clinton, who stated the two leaders would meet again next month at the Asia-Pacific Economic Cooperation (Apec) summit in Osaka, Japan.

In New York, Foreign Minister Kasemsamoson Kasemsi told reporters that US State Department officials had assured him Clinton's speech did not specify any country or any region.

Kasemsamoson said Thailand was prepared to support Clinton's proposal for war against international drug-related crime and for the improvement of banking and financial systems to prevent money laundering.

"Therefore, I am surprised to hear the reports," he said.

Following the report, Banhan instructed Kasemsamoson and Amnuai to seek clarification from the State Department and Vice President Al Gore.

"The Prime Minister was worried about the reports," said informed sources in the Thai delegation.

Minister Informed by Embassy on Drug Scandal

BK2610080695 Bangkok Radio Thailand Network in Thai 0530 GMT 26 Oct 95

[FBIS Translated Text] Public Relations Department correspondent Chintana Choichumphot, a member of Prime Minister Banhan Sinlapa- acha's entourage during his visit to the United States, has reported to the department's news center on an interview with Foreign Affairs Minister M.R. Kasemsamoson Kasemsi by reporters in the United States.

M.R. Kasemsamoson said he has received a report from the U.S. Embassy in Thailand informing him that the U.S. Embassy has already issued a clarification on the issue of Thailand allegedly being included on the U.S. blacklist of countries involved in narcotic trafficking.

In addition, the Thai foreign minister said that those who carelessly presented news reports on this issue have had an impact on the feelings and relations between the two countries. As a matter of fact, the U.S. statement stipulated that Thailand had rendered good cooperation to the United States in narcotic suppression.

The reason this issue had to be clarified quickly is that the longer it is ignored, the worse the situation will get.

U.S. 'Threat' May Hasten Laundering Bill

BK2610035395 Bangkok BANGKOK POST in English 26 Oct 95 p 7

[Unattributed report]

[FBIS Transcribed Text] Reports of an American threat of economic sanctions against countries for allegedly allowing laundering of narcotics money may speed up the passage of the anti-money laundering bill.

Office of the Narcotics Control Board (ONCB) secretary general Pricha Champarat yesterday said he hoped the Cabinet and Parliament will be more enthusiastic in considering the draft bill in the wake of such a threat by the US.

He said the bill is necessary if the Government is to effectively suppress the drugs trade. The current narcotic suppression law states no punishment against conspirators and masterminds of drugs trafficking.

He said: "Under the proposed law, the state is empowered to seize the assets of these people if they cannot explain how they acquired them."

The law, he said, will make narcotics traders think twice about doing business.

The formal title of the bill prepared by the ONCB is "The Prevention and Suppression of Hidden Assets Related to Wrongdoings."

Under the bill banks and financial institutions are empowered to report suspicious transactions to a special unit under the supervision of the Finance Minister:

The new body is authorised to require financial institutions, government agencies and state enterprises to report transactions or evidence of money-laundering and to order banks and financial institutions to suspend or cancel questionable transactions.

Evidence would be gathered and submitted to police investigators and prosecutors for further legal action.

The proposed unit, called the Office to Administer Information on Assets Related to Wrongdoings, is also allowed to search places or vehicles suspected of accommodating suspected assets and order their seizure during the daytime without a court order.

But if there is evidence that such assets may be transferred to other places, the seizure can be done at night also without a court order.

The law authorises officials from the office to seek and obtain access to all types of private communication suspected of involving the narcotics trade within 90 days after a court order is issued.

Customers of financial institutions are required to give their identity and residence before making any transaction. If transactions in cash exceed 500,000 baht, financial institutions have to make a record and report it to the office.

Under Article 29 of the bill, those who fail to follow the authorities' orders are liable to a fine of 10,000 baht at most and/or a jail term of not more than six months.

Financial institutions are required under the law to train their employees on the law's requirements and set up information centres to keep suspected transactions.

They also have to keep the information on their customers' identity, whereabouts and transactions for another five years after the end of transactions or when accounts are closed.

Financial institutions which fail to follow this requirement will be liable to a fine of not more than 300 000 baht under Article 28 of the bill.

According to Mr Pricha, the draft bill stipulates more severe punishment for those found guilty of involvement with laundering money acquired through narcotics trade.

Under Article 26, any person found to have been involved with the transfer of assets acquired through

wrongdoings or intentionally concealing their source will be liable to a fine of up to 200,000 baht and/or a one-10-year jail term.

According to Mr Pricha the law will be enforced against those guilty if they are Thai citizens, permanent residents of Thailand or aliens with residential permits even if the wrongdoings are done outside the kingdom.

Background of Reported Money Laundering List

*BK2610035795 Bangkok BANGKOK POST
in English 26 Oct 95 p 7*

[Unattributed report]

[FBIS Transcribed Text] New York — It was a member of the White House staff who told reporters that Thailand was on a list of countries with a high degree of money laundering. Foreign Minister Kasemsamoson Kasemsi said yesterday.

M.R. Kasemsamoson said he had asked Deputy Prime Minister Amnuai Wirawan, who was scheduled to meet with Vice President Al Gore, to enquire about the Reuter report and found out that a White House staff member identified only as "Mr Forbes" was responsible for naming countries to journalists.

However, M.R. Kasemsamoson said that he asked Deputy Permanent Secretary for Foreign Affairs Sarasin Wiraphon to meet with US Secretary of State Warren Christopher and he reportedly denied that there was such a list.

"He (Mr Christopher) thought that it was just examples being given. He also said that Thailand had never been on the list," M.R. Kasemsamoson said.

However, the US Embassy in Bangkok earlier admitted that the State Department issues an International Narcotics Control Strategy Report on March 1 every year.

The Bangkok Post later obtained the list for both 1994 and 1995 and Thailand was in the "high priority" group of the list for both years.

M.R. Kasemsamoson said that Thailand would not submit any aide-memoire to the US on the issue because it would be of no benefit. However, it would ask the US Embassy in Thailand to make a statement.

The US Embassy yesterday came out with a statement that President Bill Clinton never mentioned Thailand in his speech to the UN last Sunday.

It said Mr Clinton issued an Executive Order under the International Emergency Economic Powers Act aimed at the Cali drug cartel in Colombia.

"As Vice-President Gore made clear to Deputy Prime Minister Amnuai Wirawan at their meeting ... the

US highly values its very productive cooperation with Thailand in a wide variety of areas, including counter-narcotics," the US Embassy statement said.

However, Reuters never reported that President Clinton named Thailand. It reported the US president's announcement of unilateral measures against drug trafficking and his threat to use economic sanctions against countries that allow drug trafficking money to be laundered.

It then reported that US officials named certain countries on a list of countries to be watched for money laundering. Thailand was on that list the agency reported.

But officials in Thailand spent yesterday trying to deny to reporters that President Clinton had named Thailand in his speech - something that no one had reported.

Both Government House and the Foreign Ministry issued press statements saying that the US president did not name Thailand in his speech. They also said they received confirmation from the US Embassy in Bangkok that Mr Clinton had said no such thing.

The Foreign Ministry and Government House said that Thailand had always cooperated with the US to suppress drug trafficking. At the moment the Government was also working on an anti-money laundering bill.

Meanwhile, Prime Minister Banharn Sinlapa-acha said in New York that he believed there were people who wanted to stir up the drug issue against his government.

"Rumour is rumour and leaks are leaks. We believe the US understands that. The US president was smiling when I met him and he and his wife also apologised for not visiting Thailand," Mr Banhan said.

Official Says APEC 'Could Collapse'

*BK2610044895 Bangkok BANGKOK POST
in English 26 Oct 95 p 34*

[Unattributed report]

[FBIS Transcribed Text] The Asia-Pacific Economic Cooperation [APEC] forum could collapse if some members continue to insist on excluding sensitive sectors, especially agriculture, from liberalisation.

Kopsak Chutikun, director general of the Foreign Ministry's Economic Affairs Department, predicted the 18-member forum's chances of survival at only "50-50."

He said Japan, with the support of China, South Korea and Taiwan, was currently spearheading an attempt to exclude agricultural products from a plan to liberalise trade and investment within APEC.

The other 14 member nations oppose the idea and Australia has threatened to withdraw from the forum if the liberalisation plan is not extended to all sectors of the economy, Mr Kopsak said.

He reaffirmed Thailand's support for a comprehensive plan to liberalise trade and investment under the timetable set at last year's APEC meeting in Bogor, Indonesia, saying: "We will not exclude (agricultural products) and the exclusion is unacceptable for the majority of the forum." A comprehensive plan means no exceptions, he added.

Delegates to the Bogor meeting committed to free trade and investment for industrialised nations beginning in 2010, while developing countries would be given an extra ten years.

Mr Kopsak said Japan should not let its internal politics play a role in the forum.

The Japanese government faces elections after the next APEC meeting and Prime Minister Tomiichi Murayama, in order to win the support of farmers, has been pressured to press for the exclusion of agriculture from the plan.

Senior APEC officials will meet in Osaka on November 13-14 prior to the ministerial meeting on November 16-17 and the summit two days later.

Other APEC issues that remain unsettled include the principles of non-discrimination and comparability. APEC members have not yet agreed on whether to open free trade and investment to non-member countries indiscriminately or on how to monitor the progress of each member as it liberalises.

ADB: No More Financing Power Projects

*BK2610045295 Bangkok THE NATION in English
26 Oct 95 p A 2*

[Report by Kamon Suk-in]

[FBIS Transcribed Text] The Asian Development Bank has decided not to fund the controversial Kaeng Sua Ten Dam project and would not finance any future power projects in Thailand, ADB's Programme Department (West) Director Noritada Morita said yesterday.

A source in the Royal Irrigation Department (RID) told The Nation earlier that the agency planned to approach the ADB about funding the construction after the World Bank dropped the project.

"We will not spend money on any electricity project in Thailand. The country has the capacity to stand on its own financially. It shouldn't underestimate itself," Morita said.

The project's cost was estimated at Bt4.68 billion, and the source said the dam, originally designed for irrigation, would also have the capacity to produce 48 MWs [Megawatt] of power.

The project has been much debated because of its potential social and environmental threat.

The project had been earmarked for funding by the World Bank until last year. Andrew Steer, the director of World Bank's Environment Department, told a visiting Thai academic two weeks ago in Washington DC that the cost and benefits of the project were "unclear".

"Compared to the Pak Mun Dam in the Northeast, the Kaeng Sua Ten project was a lot less clear on its information about its cost and benefits," Steer was quoted as saying.

The academic, who asked not to be identified, said the way in which the World Bank dropped the project hinted that the project was not socially or environmentally sound.

However, RID's Director General Rungruang Chulachat argued that World Bank refused funding because its officials in a survey team were attacked by protesting villagers earlier this year.

He said his agency would have to talk with the Finance Ministry about funding the project if it got approval from the government to go ahead with construction.

Karen Soldiers Arrested With Weapons

*BK2610043695 Bangkok BANGKOK POST
in English 26 Oct 95 p 9*

[Unattributed report]

[FBIS Transcribed Text] Mae Hong Son — Border Patrol Police yesterday arrested four Karen rebel soldiers and confiscated more than 10,000 rounds of ammunition.

Acting on a tip-off, a BPP unit surrounded a house at Ban Huai Dua in Tambon Pha Bong in Muang District after hearing there would be a delivery of ammunition allegedly smuggled in from Cambodia to members of the Karen National Progressive Party (KNPP).

At about 1.30 a.m. four men allegedly went into the house carrying three plastic sacks.

The BPP men asked for a search and uncovered 12,300 rounds of M16, AK47 and M60 ammunition worth more than 200,000 baht.

Watthana Says Kasemsamoson 'Should Be Sacked'
*BK2610035595 Bangkok BANGKOK POST
in English 26 Oct 95 p 7*

[Unattributed report]

[FBIS Transcribed Text] The foreign minister should be sacked for inaction over the US drug-trafficking allegations, according to Chart Thai deputy leader Watthana Atsawahem.

Watthana said it was Kasemsamoson Kasemsi's duty to "clarify" the issue.

"The Foreign Ministry is duty-bound to protect the honour of Thai people both inside and outside the country, not just to follow in other people's footsteps," he said.

The US allegations were leveled against two Chart Thai politicians, deputy leader Watthana and Thoet Thai faction leader Narong Wongwan and it barred them from holding ministerial posts.

Watthana said Kasemsamoson had not been conducting himself in a way that was proper for the Foreign Minister. He should refrain from saying things for which he lacked evidence.

He said he believed members of the Nam Thai Party were now deciding whether to remove Kasemsamoson.

"Everyone knows what kind of person the Foreign Minister is," he said.

On Monday President Clinton announced in a speech at the 50th anniversary of the UN in New York that he had ordered a series of unilateral moves to combat international terrorism, crime and drug trafficking.

He said the US would "identify and put on notice" countries that tolerated laundering of drug money.

Chat Phatthana deputy leader Prachuap Chaiyasan said the US had a clear-cut policy of combating drug trafficking throughout the world.

Prachuap said he believed all concerned agencies including the Central Intelligence Agency and the Drug Enforcement Administration would strictly follow the guidelines of their president, such as to seek measures to retaliate against countries named in the US watch list.

He said that President Clinton would act on every word he said in his policy statement to the UN.

What the US should first do was to prevent money laundering with coordination from international organisations such as the World Trade Organisation and other banking institutions, he suggested.

The US might even seek measures to interfere with and stop electronic money transfers related to money-laundering in Thailand.

"Matters of this kind are now globalised. It's silly to go on about solidarity and sovereignty—70-80% of our products are waiting to be exported; we depend on the world's economy," he said.

He said the Banharn government stopped looking like a government the day the Premier addressed students of the National Defence College only to twist his words later.

"Not only foreigners, but Thais as well, are aware that some ministers have such problems. Any attempts to make things transparent are just to protect themselves," he said.

Chat Phatthana spokesman Wuttichai Sanguanwongchai suggested the Government be aware of what the allegations were, and find their cause.

As the Government had from the beginning made mistakes in administering the country he claimed, it should try its best to seek solutions to problems.

Chawalit Plans To Control All Armed Forces

*BK2610124095 Bangkok LAK THAI in Thai
18-24 Oct 95 pp 30, 31*

[Article: "Appointment of Committee To Control Armed Forces; Chiu's Plan To Seize Total Power"]

[FBIS Translated Text] The recent reshuffle of senior officers of the three armed forces was obviously manipulated by General Chawalit Yongchaiyut, defense minister and leader of the New Aspiration Party.

Learning an expensive lesson from his failure to put his men in the right places during his military career, "Big Chiu" [alias of General Chawalit] has decided to return to the military domain.

After his voluntary retirement from the military, he incorrectly assumed that his influence would continue to prevail in the armed forces. Therefore, in his capacity as defense minister, General Chawalit did not hesitate to interfere in the annual military reshuffle.

In particular, the reshuffle formula for the army worked out by former army commander General Wimon Wongwanit was completely rectified.

According to the original plan, General Phaibun Emphan, Class 5 graduate of Chunlachomklao Royal Military Academy [CRMA], was supposed to become army commander. However, "Big Chiu" gave the post to General Pramon Phalasin, CRMA Class 6 graduate who was

pushed out of the Army by General Wimon and appointed military chief of staff for further promotion as supreme commander. Moreover, General Chawalit appointed General Wirot Saengsanit as new supreme commander while General Phaibun was named new permanent secretary of the Defense Ministry.

The arrangement of the three important posts of the army commander, supreme commander, and defense permanent secretary is in fact the first step of General Chawalit's offensive to build up his power base in the three armed forces.

It is a silent seizure of power without using force. Once General Chawalit starts his maneuver, he will certainly move on to the second and third steps until he will get what he wants.

As the people are keeping their eyes on new developments, Big Chiu timely started his "second game."

That is, he proposed the revision of the Military Service Regulations Act of 1987. Under the law, the Defense Council has the power to handle military reshuffle.

However, this time he does not like the name Defense Council. Instead, he might call it the Defense Council Committee. The committee solely will be in charge of the reshuffle of officers in the three armed forces.

The functions of the Defense Council Committee will be similar to those of the Civil Service Commission, Teachers' Council, and Police Service Commission. The proposed amendment of said legislation was designed to give full power to the Defense Council Committee to work on the reshuffle lists of the three armed forces with no interference from political appointees, clearly specify functions of the armed forces, and create better understanding between politicians and military people.

According to General Chawalit's plan, members of the committee, chaired by defense minister, will be supreme commander; army, navy, and air force commanders; defense permanent secretary; and specialists from the three armed forces, retired officers, and academicians as selected by defense minister.

Justifying his plan, General Chawalit said that as a political appointee, the defense minister will have to be more cautious and cannot excessively interfere in appointment and transfer of military officers at his own will.

Under the Military Service Regulations Act of 1987, the defense permanent secretary is chairman of the Defense Council while commanders of the three armed forces and selected officers serve as members of the council. The new body proposed by General Chawalit, however, is under the control of the defense minister. General

Chawalit will also be empowered to appoint military officers and academicians to serve as members of the committee.

Under normal circumstances, each armed force works out its own reshuffle list, which is then sent to the Supreme Commander Headquarters. The supreme commander will forward the list to defense permanent secretary who will hand it to defense minister for consideration. The list is then submitted by the prime minister to the king for the royal endorsement.

Under the new plan, commanders of the three armed forces will not have any power. They will merely propose names of officers for promotion and transfer. The final decision will rest with the defense minister, in this case, General Chawalit Yongchaiyut.

In case of the Police Service Commission, the interior minister has the power to control the operation of commission. Although he might not interfere in reshuffle of police officers, he chairs the commission and is the immediate supervisor of the director general of the Police Department.

If the military reshuffle is going to be done using the same process as those of government-hired teachers and police officers, the three armed forces will not be able to fulfill their particular requirements or retain their operational swiftness.

With this subtle plan, General Chawalit will be able to manipulate all three armed forces after next year's annual reshuffle, which will be handled by the proxy Defense Council Committee.

Meanwhile, the House Commission for Military Affairs, chaired by General Sanan Sawetserani, is now seeking a bigger budget for the Defense Ministry.

Although General Sanan is an MP from Nan Province under the banner of the Chat Thai Party, he was also a co-founder of General Chawalit's New Aspiration Party.

The return to the military circle of General Chawalit is a timely and scary strategy.

Daily Sounds Urgent Note on Inflation, Deficit

BK2510133295 Bangkok THAN SETTHAKIT in Thai
21-24 Oct 95 p 10

[Editorial: "Government Must Stop The Extravagant Trend"]

[FBIS Translated Text] The major problems of Thai economy including inflation and the current account deficit all originate from the same root, that is the lavish spending on part of the Thai people. The government has been urged to set a good example in practicing

thrift and drawing up a policy to curb the people's extravagant habits while making efforts to boost the country's earnings from the services sector.

The government is obliged to take psychological, fiscal, and financial measures to solve the problems of the current account deficit and inflation.

The government of Prime Minister Banhan Sinlapa-acha has not come up with any clear achievements in dealing with the country's economic dilemma in its first three months in office. Despite applying the balanced budget policy to curb national spending, many of its actions run opposite to the solution to inflation and current account deficit. In particular, there has been much criticism against Prime Minister Banhan Sinlapa-acha's decision to have the Bank of Thailand lower lending rates to satisfy entrepreneurs and businessmen who have been complaining that they are excessively high.

The excess spending policy was once implemented by the government of former prime minister General Chatchai Chunhawan. Prime Minister Banhan's statement that lower lending rates would activate more spending among business circles and benefit big business firms with which his government has always maintained close ties has signalled both Thai and foreign economists and businessmen that the prospects of solving Thailand's inflation and current account deficit in the near future is very slim.

Judging from various government actions, it is unlikely that any serious efforts will be made to tackle the two problems. As a result, nobody has confidence in Thailand's economic stability or the value of the baht currency. The concern expressed by international finance companies that Thailand might plunge into the monetary crisis as experienced by Mexico is quite reasonable.

Everyone can recall that Thailand was in an economic recession from 1983 to 1985. Numerous business enterprises went bankrupt because of the inflation and current account deficit. It took quite a long time before the country's current account and fiscal deficits were settled.

There was another economic recession during the government of former prime minister General Chatchai Chunhawan. However, the crisis was contained within the real estate and housing sectors because the government gave a free hand, to some extent, to the official machinery such as Finance Ministry and Bank of Thailand to remedy the situation.

The problem left behind by the General Chatchai Chunhawan government has not been solved yet. Speculation in land and houses reached its peak during that time.

Subsequently, hundreds of thousand of homes worth hundreds of billions of baht are now left vacant. If the present government fails to guide the people's spending in the right direction, the country's economy will meet more serious problems. The government is hereby asked to act prudently and think carefully about the consequences of its actions. Carelessness must not be allowed to damage the country in any way.

Vietnam

Trade Minister Views Economic Ties With U.S.

BK2510163295 Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 11 Oct 95 pp. 1, 5

[Interview with Trade Minister Le Van Triet by correspondent Tran Hoang Ha at the Noi Bai International Airport in Hanoi on 10 October]

[FBIS Translated Text] [Le Van Triet] After the normalization of relations between Vietnam and the United States, both sides considered economic ties to be a prime factor in ties for the new period. At present, however, there is still a lack of mutual understanding between the two sides in their economic-trade ties. So, the main objective of this visit is to study each other's policies to establish a framework for negotiations on a economic-trade cooperation agreement. The Vietnamese delegation, led by Foreign Minister Nguyen Manh Cam, had meetings with U.S. Secretary of State Warren Christopher; National Security Adviser Anthony Lake; (J. Speso), under secretary of state in charge of economic affairs; Larson, deputy assistant to secretary of commerce; Trade Representative Mickey Kantor; and other officials and businessmen. In the meeting Secretary of State Warren Christopher said: "Our most important issue at present is to move forward to the post-normalisation of diplomatic relations. Economic-trade ties is a major and essential issue in opening the way for other ties beneficial to both the United States and Vietnam."

[Tran Hoang Ha] Could you please tell us what information was exchanged between the two sides?

[Le Van Triet] Our delegation strived to study issues related to U.S. law and markets as well as other issues related to the economic-trade agreement. An U.S. economic-trade agreement with another country usually consists of provisions on the establishment of trade ties between the two countries, including the provisions of granting to each other the most-favored-nation (MFN) status, the issue of overseas private investment corporation (OPIC), Eximbank (assistance to import-export activities of American companies), protection of intellectual copyright, and so forth. We

studied these details and issues carefully, and of course, so did the Americans for Vietnam.

[Tran Hoang Ha] What was discussed in the conference to normalize U.S.-Vietnam economic ties?

[Le Van Triet] Over 150 representatives from leading American companies including many billionaires had reserved a full day at the conference to introduce themselves and to learn about Vietnam's economic policy and economic development strategy. A large number of American businessmen asked U.S. officials many questions about doing business in Vietnam.

[Tran Hoang Ha] Has your trip to the U.S. formed any basis for the normalization of Vietnam-U.S. economic-trade ties?

[Le Van Triet] It is not yet possible to say whether this visit has laid a legal basis for the establishment of such ties. So far, both sides are still learning about each other and forming views on the coming policy. This learning stage, however, is important for the next phase of negotiations.

[Tran Hoang Ha] When will the two sides begin to negotiate the economic-trade cooperation agreement?

[Le Van Triet] At present, we are just beginning to get to know each other. In November or early December, a high-ranking U.S. delegation will come to Vietnam. Later, we will both determine our viewpoints and set up a plan for the negotiations on the economic-trade agreement. This is a time-consuming task and requires careful preparation.

[Tran Hoang Ha] When do you think the Vietnam-U.S. economic-trade cooperation agreement will be signed?

[Le Van Triet] At present, nobody can answer that.

[Tran Hoang Ha] Then how will the Vietnam-U.S. economic-trade ties develop without a legal framework?

[Le Van Triet] In fact, since the United States lifted its economic sanctions against Vietnam, bilateral economic ties has been developing fairly rapidly. Although we have not had the MFN status yet, a considerable amount of Vietnamese goods have found their way to the United States and have been accepted by the market. These include agricultural products, aquatic products, garments, and fine art objects. For the first quarter of this year alone, two-way trade turnover exceeded \$200 million, which is equal to the turnover for ten months of last year. At this point, there are 120 U.S. trade offices in Vietnam. American companies have investments worth over \$1 billion in 43 projects in Vietnam. These figures show that despite some limitations, the economic-trade ties are developing. In October 1994, the trade authorities of both countries agreed that in the absence

of a legal framework, they will strive to create favorable conditions for businessmen from both sides.

President Donates Rice to Cambodian King

BK2610111395 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 25 Oct 95

[FBIS Translated Text] Yesterday morning, 25 October, at the Royal Palace in Phnom Penh, Cambodia, King Norodom Sihanouk and Queen Monineat Sihanouk received 1,000 tonnes of rice as a gift of Socialist Republic of Vietnam President Le Duc Anh to the Cambodian king and queen. The rice shipment arrived at the Phnom Penh port in mid-September of this year.

A large number of Royal Palace officials, Vietnamese Ambassador to the Kingdom of Cambodia Tran Huy Chuong and his wife, and many Vietnamese embassy cadres and journalists were present at this official handover ceremony.

Speaking on this occasion, on behalf of the Royal Palace and the Cambodian government and people, King Norodom Sihanouk conveyed his deep gratitude to President Le Duc Anh and the Vietnamese Government and people for this valuable gift.

Army General Reaffirms Solidarity With Cuba

PA2510163195 Havana Radio Rebelde Network in Spanish 1800 GMT 20 Oct 95

[From the "National Radio News" newscast]

[FBIS Translated Text] In Vietnam, General Dao Dinh Luyen, chief of staff of the Vietnamese People's Army, stated that his country's and army's solidarity with Cuba will be eternal and will not change under any circumstances.

Our only choice is to give this response to those who, in difficult war times, helped us out of the goodness of their people's heart. So said in Hanoi the high military commander upon receiving Juan Contino, national coordinator of the Committees for the Defense of the Revolution, who is visiting Vietnam.

The general underscored: Giving our support to Cuba does not simply involve cooperation, but it is an obligation for us. General Dao is a Vietnamese veteran who was an outstanding military leader during the U.S. act of aggression.

Road-Building Cooperation Agreement With Cuba

BK2610094995 Hanoi Voice of Vietnam in English 1000 GMT 24 Oct 95

[FBIS Transcribed Text] Vietnam and Cuba have signed an agreement on infrastructure construction for Viet-

nam. The first cooperation project is the construction of an expressway linking (?Long Chuong) in Hanoi to Hoa Lac of Son Tay in North Vietnam. Work will start early next year.

Finance Minister on 1995 Budget Balance

*BK2510124395 Hanoi THOI BAO TAI CHINH
in Vietnamese 12 Oct 95 p 1*

[Article by Finance Minister Ho Te: "The 1995 State Budget Balance: An Urgent Task."]

[FBIS Translated Text] The finance sector has two strategic tasks for 1995, namely ensuring budget allocations to support socioeconomic development and firmly maintaining national security and defense capabilities. There is always a need for funds to resolve major budget constraints and imbalances. Nonetheless, basically, it can be said that our economic development remains steady and stable, our growth rate is fairly high, and our inflation rate is kept at a reasonable level, thus creating more important conditions for further development.

Socioeconomic achievements must be credited to the positive contributions in many fields of financial-monetary activities. Compared with 1994, the estimated 1995 revenue collection has increased by 28.7 percent (including about 9 percent from economic growth, 10 percent from price fluctuations, and 8.7 percent from the application of measures against collection shortfall). We can mention a number of specific areas. Compared with last year, the revenue collection from the state economic sector may increase by 25.2 percent, including 14 percent from the state industrial sector and 12.6 percent from the state trading and service sector. These are the results of good revenue collection and payment control, especially of endeavors to closely monitor business establishments to ensure full tax payments for new business activities and for overdue tax payments from the previous years. The revenue collection from foreign-invested enterprises (excluding the gas and oil joint venture) is expected to overfulfill the target by 11.7 percent. The revenue collection from the nonstate industrial and commercial sector may increase by more than 53 percent. The collection of import-export taxes may increase by 63.5 percent compared with last year. The collection of agricultural land use taxes has stabilized and the tax rate is based on market prices. Consequently, revenue collection has yielded fairly good results and may overfulfill the yearly target by 116 percent. In addition, the collection of land and housing taxes has increased by 10 billion dong, income taxes by 60 billion dong, transportation fees by 550 billion dong (equal to 200 percent of the planned target), and fees and charges not to be remitted to the state budget by 100 billion dong.

Thanks to a considerable rise in revenue collection, basically, the state budget revenue is expected to meet almost all planned requirements. Debt and aid payment expenditures and regular spendings...are guaranteed to fulfill or overfulfill the planned targets.

It can be said that the aforementioned budget balance reflects the high determination to respond to the National Assembly's call for more revenue and less spending. According to the state budget estimates approved by the National Assembly, spending will increase by 42.7 percent compared with 1994, including a 37.6-percent increase in investment and development spending, which is almost double the percentage of regular spending (18.2 percent). We, however, still do not have a very clear picture of future revenue collection or are able to predict new spending. The facts are that revenue collection has increased considerably whereas there is a very high demand for funds to cover spending. As a result, it is unavoidable to keep over-expenditure at a fixed level.

In the interest of fairness, the cause of over-expenditure must be traced back, first of all, to collection shortfall. The revenue collection of the state economic sector has increased quickly but it does not commensurate with the scale of state investment and yields low results. Collection shortfall still occurs at a number of business establishments. The Tax General Department under the Finance Ministry and other relevant agencies still fail to closely control the costs of production and business operations, the prime costs of imported goods...and henceforth, fail to force business establishments to fulfill their tax obligation. Actually, no effective measures have been taken to deal with business establishment owners who are late in paying taxes or who misappropriate the sources of revenue to be remitted to the state budget and who use them as capital to support their own production and business operations. The amount of unpaid special consumption taxes (including overdue ones) has reached nearly 300 billion dong.

Crude oil is a great resource of revenue collection. However, the collected sum is estimated to be 500 billion dong less than the plan (due to lower production than planned, our approval for the rise in expense claims from 25 percent to 28 percent by oil and natural gas joint ventures, and our permission for the Oil and Gas General Company to keep five percent of its profits for reinvestment).

The revenue collection from non-state industrial and commercial section is also 355 billion dong less than planned, due to the reduction of the collection rate from five percent to two percent and four percent, the implementation of the regulation on the right and obligation of organizations that are given and which

lease land from the government, and the delay in the implementation of Government Decree 18-CP on the transfer of land registration and the transfer of land use rights.

It is noteworthy that there is still a shortfall in the collection of revenue from housing and land under import-export taxes [as published]. Though the collection of import-export taxes has risen remarkably in comparison to 1994 (about more than 63 percent), it will probably reach only about 90 percent of the annual target (a shortage of 1,500 billion dong). Collection from the granting of land use rights and the sale of state housing in the first nine months is only 36 percent of this year's target. On the other hand, it must be realized that overspending occurs because we need to pay 1,360 billion dong for a great amount of construction work done in 1994, for unexpected expenses, extra payments for foreign loans, and so forth. In 1995, we have to cover payments for the implementation of new policies as well as payments for unexpected expenses such as the increased payment of benefits to village cadres and village heads in the highlands, implementation of the regulation on national servicemen and the regulation on Vietnamese heroic mothers, payments to overcome natural disasters and flash floods, and payments for the implementation of Decree 36 CP issued by the prime minister on ensuring order and safety in land transportation and city traffic. We also have to pay for state, party, and mass organizations expenses not forecast at the beginning of the year; overseas loans and aid, and so forth.

The unbalanced state budget is an urgent issue. Under government direction, the finance sector will continue to closely cooperate with other sectors and echelons to work out all measures to efficiently implement the tasks that have been entrusted.

The state will not pay for overspending. It will not compensate for budget deficits by seeking more internal and overseas loans nor use revenue collected for social insurance. The government will continue to step up the full and correct collection of revenue and to fight losses. It will deal with current problems with determination and will correct and change structures and policies to ensure that the shortfall of the collection target is at its minimum. It will also actively contribute to the rapid, firm, and efficient development of our economy.

National Assembly Issues Communiqué No.19

BK2510160595 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 25 Oct 95

[Communiqué No.19 issued by Vietnamese National Assembly in Hanoi on 25 October]

[FBIS Translated Text] The National Assembly today continued in session at the conference hall under the direction of National Assembly Vice Chairman Phung Van Tuu to vote on the draft Civil Code.

On behalf of the study team for the revision of the draft Civil Code, Minister of Justice Nguyen Dinh Loc briefed on how Part II of the draft Civil Code on property and copyright had been studied and revised as suggested by National Assembly deputies.

Before the deputies continued airing their views, the National Assembly voted to pass Part II of the draft on property and copyright containing the following chapters:

- Chapter I on generalities
- Chapter II on types of property
- Chapter III on the substance of copyright
- Chapter IV on forms of ownership
- Chapter V on ownership quit-claim deed
- Chapter VI on protection of ownership
- Chapter VII on other stipulations governing ownership

Eighty National Assembly deputies were reported to have aired their views.

The National Assembly deputies discussed certain issues where there were still differences in views and suggested amending the syntax and supplementing a number of phrases for the following remaining parts of the draft Civil Code as follows:

- Part III on civil obligation and civil contracts which contains:
 - Chapter I on generalities
 - Chapter II on common civil contracts
 - Chapter III on the implementation of work where there is no delegated authority
 - Chapter IV on the obligation to return illegally appropriated property to its rightful owner, and on the illegal use of property for personal gain.
 - Chapter V on the responsibility to compensate for damages beyond contract terms.
- Part IV on the right to inherit property:
- Chapter I on generalities

- Chapter II on the right to inherit property in accordance with a testament.
- Chapter III on the right to inherit property in accordance with the law.
- Chapter IV on property liquidation and division.
- Part V on stipulations regarding the transfer of the right of land use:
- Chapter I on generalities
- Chapter II on contracts to transfer or change the right of land use.
- Chapter III on contracts to delegate the right of land use
- Chapter IV on contracts to lease the right of land use
- Chapter V on contracts to mortgage the right of land use.
- Chapter VI on succession to the right of land use.
- Part VI on the right to the ownership of intellectual property and on technology transfer:
- Chapter I on copyright
- Chapter II on the right to the ownership of technological inventions.
- Chapter III on technology transfer.
- Part VII on civil relations with foreign factors involved.

The National Assembly will continue in session tomorrow at the conference hall.

National Assembly 25 Oct Proceedings Reported

BK2610061995 Hanoi Voice of Vietnam Network
in Vietnamese 1100 GMT 25 Oct 95

[FBIS Translated Text] Today is the 20th working day of the eighth session of the Ninth National Assembly. The deputies worked at the conference hall under the direction of National Assembly Vice Chairman Phung Van Tuu to vote on every part of the civil code bill. They contributed views on every article of each chapter and part of the bill, including Part III on civil obligations and civil contracts, Part IV on inheritance, Part V on stipulations regarding the transfer of land use rights, Part VI on intellectual property ownership rights and technology transfer, and Part VII, the last part of the bill, on civil relations involving foreign factors.

Today, after six days of debate in the conference hall and in groups about the civil code bill and another three days of additional debate, the National Assembly ended its discussion on the civil code bill consisting of seven parts, 33 chapters, 54 paragraphs, and 834 articles.

The civil code is an important law. Due to the limited time to debate the bill, however, the deputies still have different views on some of its articles. National Assembly Vice Chairman Phung Van Tuu suggested that deputies register their votes by writing to the National Assembly Secretariat. The secretariat will compile their opinions on every chapter and article of the civil code bill as a base, and National Assembly working teams and responsible organs will conduct an urgent and careful study and revise the bill before sending the revised bill back to the deputies for further discussion. Then the National Assembly will pass the civil code in this session.

The National Assembly will continue in session at the conference hall tomorrow with a question and answer session between cabinet members and National Assembly deputies.

Army Party Organizations Prepare Congresses

BK2610102895 Hanoi NHAN DAN in Vietnamese
9 Oct 95 p 1

[Report by Hai Duong]

[FBIS Translated Text] Based on Directive 51 of the party Central Committee Secretariat, Directive 32 of the party Central Committee Military Commission, and the Political General Department's instructions on convening party organization congresses at all levels in the army, party organizations in the entire army have made adequate preparations to ensure that the congresses will take place as scheduled, yield fine results, and comply with party principles and rules.

The Political General Department has convened a conference of key cadres to study and firmly grasp the directives of the party Central Committee Secretariat and the party Central Committee Military Commission. It has also given clear instructions on how to compile end-of-term evaluation reports, select party committee members, and work out principles and procedures for organizing party congresses. Before convening congresses, party organizations from the grassroots to upper levels have given clear instructions on how to review the implementation of the party Central Committee Third Plenum resolution on renovating and revamping the party and of Resolution 8B on mass mobilization work. To date, 70 percent of grassroots party organizations in the army have finished reviewing the implementation of the aforementioned tasks and will incorporate the important points of their general reviews in the reports to be presented to party organization congresses.

Regarding timing, the congresses of grassroots party organizations in the army are scheduled to begin in December and end in mid-January 1996 at the latest.

Regarding party-building work, attention has been given to building pure and firm party installations, the vanguard role of party members in matching words with deeds, the implementation of ideological work in the new situation...

To make adequate preparations for personnel selection, grassroots party organizations have all conducted criticism and self-criticism sessions for party committee members and have settled once for all complaints and letters of denunciations against the comrade party committee members.

In early November, army party organizations will convene 'experimental' congresses at four grassroots party organizations under the management of the First Military Region, Seventh Military Region, Huong Giang Military Corps, and Cuu Long Military Corps party organizations. Next, the Political General Department will draw experiences before giving further instructions.

Australia

Evans Reacts Cautiously to Timor Deaths Claim

*BK2610020695 Melbourne Radio Australia
in English 0100 GMT 26 Oct 95*

[FBIS Transcribed Text] Australia's foreign minister, Senator Gareth Evans, has reacted cautiously to claims of new evidence about how five Australian journalists died in East Timor 20 years ago. Philip Lasker reports that Sen. Evans, who is in New York, was responding to claims made during a television interview screened by the Australian Broadcasting Corporation.

[Begin recording] [Lasker] Two Timorese soldiers say the Australians were shot by Indonesian troops and that their bodies were burned, contradicting Indonesian officials who maintained they were killed in cross fire. Sen. Evans says the Australian Government will do the best it can to follow up the claims.

[Evans] We can only follow these things up by asking for an appropriate response, and we will certainly do that. As I say, the evidence in question seems to be compelling.

[Lasker] Sen. Evans claimed it would be difficult to mount a proper investigation into the incident because you cannot mount an investigation in another country. [end recording]

Meanwhile, Indonesian Foreign Minister Ali Alatas says Jakarta will not reopen an investigation into the deaths of the five Australian newsmen.

Governor General Cites 'Defects' in Republic Plan

*BK2610032895 Melbourne Radio Australia
in English 0100 GMT 26 Oct 95*

[FBIS Transcribed Text] Australia's governor general, Bill Hayden, says there are serious defects in the Australian Government's plan for a republic. The governor general represents Britain's Queen Elizabeth in Australia.

As Michael Rowland reports Mr. Hayden has raised the prospect of a showdown between an opportunistic president and the elected government.

[Begin Rowland recording] In a wide-ranging newspaper interview, Mr. Hayden says a president elected by a two-third majority of federal parliament — the gov-

ernment's preferred option — will have a strong constituency. He says if the president was able to cobble together enough support not to be sacked by parliament, he or she could become an opportunistic popularist who may embark upon a course of willful behavior that threatens effective government. Mr. Hayden wants the government to review its republic plans to iron out what he calls the serious defects.

The prime minister has no comments on the governor general's remarks. [end recording]

Papua New Guinea

Helicopter Problem Stops UN Team Meeting Rebels

*LD2610101795 Melbourne Radio Australia
in English 0700 GMT 26 Oct 95*

[FBIS Transcribed Text] The United Nations special rapporteur investigating alleged human rights violations on Papua-New Guinea's Bougainville island says his investigations will be incomplete if he does not talk to the [separatist] Bougainville Revolutionary Army [BRA]. Baker Ndaye flew back into Port Moresby this afternoon for a scheduled meeting with the prime minister tomorrow. Weni Singarop reports that the UN team may extend their stay in Papua-New Guinea to enable them to talk to the rebel leaders.

[Singarop] Mr. Ndaye and his team were to meet with BRA leaders at Sipuru, the rebel stronghold, yesterday. However, technical failure in the heavy-lift helicopter hired to take them prevented their travel. The helicopter was still under repair today and company officials could not say what was wrong with the craft when contacted. The UN team also said the trip would have been impossible yesterday because of heavy cloud cover over Panguna. The UN office in Port Moresby says the team may return to Sipuru over the weekend [28-29 October] if the helicopter is fixed. [Wellington Radio New Zealand International in English at 0900 GMT on 26 October, in a similar report on the UN Team's helicopter problem, cites BRA spokesman Martin Miriori as saying that the helicopter problem is "suspicious but not unexpected."]

The report adds that "Mr. Miriori suspects possible sabotage of the helicopter by Papua-New Guinea defense force personnel in order to prevent the UN team talking to people in BRA-held areas of Bougainville."]